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## QUARTERLY FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2019

(Based on JAPANESE GAAP) (Consolidated)

November 8, 2019

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 Code number: 9735 Tokyo Stock Exchange ----- First Section  
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Scheduled date of filing Quarterly Securities Report: November 14, 2019

Scheduled date of dividend payout: December 6, 2019

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, 2019 (April 1, 2019– September 30, 2019)

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

	Six-month Period Ended September 30	
	2018	2019
Revenue	470,983 5.4%	503,774 7.0%
Operating profit	54,902 (10.7%)	65,060 18.5%
Ordinary profit	67,458 2.2%	70,320 4.2%
Net income attributable to owners of the parent	44,575 7.8%	43,368 (2.7%)
Basic net income per share (in yen)	204.23	198.70
Diluted net income per share (in yen)	—	—

Note 1: Comprehensive income:

Six-month period ended September 30, 2019: JPY 41,611 million [(5.1%)]

Six-month period ended September 30, 2018: JPY 43,868 million [(0.5%)]

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, 2019	September 30, 2019
Total assets	1,765,105	1,766,910
Net assets	1,125,954	1,147,147
Equity ratio	56.4%	57.4%
Net assets per share (in yen)	4,562.08	4,642.74

Note 1: Equity as of:

September 30, 2019 : JPY 1,013,329 million

March 31, 2019 : JPY 995,720 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/ending March 31		
	2019	2020	2020 (projected)
1 <sup>st</sup> quarter dividends per share (in yen)	–	–	
2 <sup>nd</sup> quarter dividends per share (in yen)	80.00	85.00	
3 <sup>rd</sup> quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	85.00		85.00
Annual dividends per share (in yen)	165.00		170.00

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, 2020 (April 1, 2019 – March 31, 2020)

(In millions of yen)

	Year ending March 31, 2020
Projected revenue	1,038,000 2.4%
Projected operating profit	131,500 1.0%
Projected ordinary profit	138,000 (4.8%)
Projected net income attributable to owners of the parent	83,000 (9.8%)
Projected basic net income per share (in yen)	380.28

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, 2020 is calculated based on the number of average common shares outstanding over the six-month period ended September 30, 2019, assuming that it remains the same until March 31, 2020.

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

※ **Notes**

1. Significant changes in subsidiaries during the six-month period ended September 30, 2019 (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, 2019 :	233,293,998 shares
March 31, 2019 :	233,292,219 shares
  - ② Number of shares of treasury stock, as of:

September 30, 2019 :	15,032,615 shares
March 31, 2019 :	15,031,867 shares
  - ③ Number of average common shares outstanding over:

The six-month period ended September 30, 2019:	218,260,785 shares
The six-month period ended September 30, 2018:	218,260,425 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, 2019 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 5 in the appendices.

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## 1. Qualitative Information Regarding the Six-month Period Ended September 30, 2019

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

During the six-month period ended September 30, 2019, Japanese economy has been in a moderate upward trend as shown in corporate earnings on high level and improvements in employment environment. On the other hand, continual attentions to the effects of uncertainties in overseas economies and policies related to the rise in the tension over international trade issues, the prospect of the Chinese economy, the outcome of U.K. exiting the E.U. (BREXIT), the fluctuations in the financial and capital markets, and the impact of the natural disasters, have been required.

In this environment, we have been continuously pushing forward with efforts to establish the “Social System Industry,” which delivers safety and peace of mind, as well as makes life more comfortable and convenient, whenever and wherever necessary for everyone. In 2017, we formulated the SECOM Group’s Vision for 2030. Guided by this vision, we have been promoting the “ALL SECOM” concept, which emphasizes cooperation among our various businesses to strengthen the bond of the group. In addition, we are working to realize the *ANSHIN* Platform, a service infrastructure designed to provide peace of mind to people in their everyday lives, as well as to society as a whole. To create the *ANSHIN* Platform, we are advancing collaborative initiatives with partners having the same philosophy. In 2018, we announced the SECOM Group Road Map 2022, in which we clarified what we should do to achieve our Vision for 2030, and have been actively working to implement the road map.

In June 2019, we launched a new security service using autonomous patrol robot SECOM Robot X2, which conducts surveillance with mounted cameras at various points, traveling autonomously along the set routes while determining its own position through laser sensor. In August, in collaboration with partner companies, we successfully performed verification tests of stringent security measures for large-scale events including international sports events and conferences, which capitalize on AI, drones, robots and wearable cameras borne by security guards that leverage 5G (\*1). We have been accelerating these initiatives to create more advanced security services with improved efficiency by combining manpower and innovative technologies including robots.

In September, we started offering System Security AZ (\*2), which is an all-in-one system that accommodates a variety of functions that help customers’ business operations, including security and fire protection, as well as work efficiency solutions such as employee attendance management.

In the period under review, we have been continuously seeking to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind through the seamless provision of services.

(\*1) 5G: The fifth generation mobile communication system

(\*2) System Security: On-line security system for commercial subscribers

Consolidated revenue for the six-month period ended September 30, 2019 increased by 7.0% to 503.7 billion yen and consolidated operating profit increased by 18.5% or 10.1 billion yen to 65.0 billion yen, owing to the increase in revenue in all segments including security services. Consolidated ordinary profit increased by 4.2% or 2.8 billion yen to 70.3 billion yen, despite the slow profit growth mainly due to the decreases in net gains on private equity investment in the U.S. etc. by 6.2 billion yen and net

gains from investment in affiliated companies accounted for under the equity method by 1.3 billion yen. Consolidated net income attributable to owners of the parent decreased by 2.7% to 43.3 billion yen, mainly attributable to the increase in tax expenses. For the six-month period ended September 30, 2019, consolidated revenue, consolidated operating profit and consolidated ordinary profit have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 2.8% to 278.9 billion yen, mainly due to the brisk sales of on-line security systems for commercial and residential use, as well as security products including access control systems, and the contribution of Secom Tosec Co., Ltd., a subsidiary consolidated from the second quarter of the previous fiscal year. Operating profit increased by 1.8% to 58.2 billion yen.

In the fire protection services segment, revenue increased by 16.1% to 65.0 billion yen, mainly attributable to the active marketing efforts. Operating profit was up 237.2% to 5.6 billion yen, chiefly owing to the improvement in profitability compared to the corresponding period of the previous fiscal year. 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 8.7% to 38.4 billion yen, mainly due to the increase in sales of drugs and medical equipment. Operating profit increased by 13.8% to 2.8 billion yen.

In the insurance services segment, revenue increased by 3.1% to 23.3 billion yen, mainly due to the firm increase in sales of MEDCOM, an unrestricted cancer treatment policy, and automobile insurance policy provided by Secom General Insurance Co., Ltd. Operating loss was 0.2 billion yen, from operating loss of 2.1 billion yen in the previous corresponding period, chiefly owing to the effect of major disasters following the corresponding period last year.

In the geospatial information services segment, revenue increased by 13.2% to 22.9 billion yen, chiefly owing to the increase in revenue from services for the public sector. Operating loss was 0.1 billion yen, from operating loss of 1.2 billion yen in the previous corresponding period. 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 BPO and ICT services segment, revenue increased by 12.3% to 49.6 billion yen, chiefly owing to the increase in revenue in data center business and TMJ, Inc., a provider of BPO services including contact centers and back office services. Operating profit increased by 23.6% to 4.7 billion yen.

In the real estate and other services segment, revenue increased by 20.2% to 25.2 billion yen, mainly due to the increase in revenue in the real estate development and sales business. Operating profit increased by 28.0% to 2.7 billion yen.

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

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

Total assets as of September 30, 2019 amounted to 1,766.9 billion yen, 0.1% or 1.8 billion yen higher than that at the end of the previous fiscal year. Total current assets, at 848.1 billion yen, were up 0.2% or 1.4 billion yen. This was attributable to the increase in cash on hand and in banks by 11.9% or 41.8 billion yen to 392.1 billion yen, despite the decreases in notes and accounts receivable, trade by 22.0% or 29.4 billion yen to 104.2 billion yen, short-term investments by 24.0% or 6.0 billion yen to 19.2 billion yen and due from subscribers by 10.5% or 4.3 billion yen to 37.2 billion yen. Total fixed assets, at 918.7 billion yen, were up 0.3 billion yen from the end of the previous fiscal year. This was attributable to the increase in tangible assets by 0.9% or 3.3 billion yen to 381.7 billion yen, despite the decreases in investment securities by 0.8% or 2.2 billion yen to 267.3 billion yen and long-term loans receivable by 3.1% or 1.0 billion yen to 34.1 billion yen.

Total liabilities amounted to 619.7 billion yen, 3.0% or 19.3 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 345.8 billion yen, down 6.4% or 23.6 billion yen, owing to the decreases in payables – other by 17.7% or 7.5 billion yen to 35.1 billion yen, notes and accounts payables, trade by 10.4% or 4.7 billion yen to 41.0 billion yen, bank loans by 10.3% or 4.0 billion yen to 35.0 billion yen, and deposits received for armored car services by 3.0% or 3.6 billion yen to 117.4 billion yen. Long-term liabilities increased by 1.6% or 4.2 billion yen to 273.9 billion yen, compared to that at the end of the previous fiscal year. This was attributable to the increase in investment deposits by policyholders, unearned premiums and other insurance liabilities by 3.9% or 6.7 billion yen to 179.5 billion yen, despite the decrease in long-term loans by 12.2% or 1.2 billion yen to 8.8 billion yen.

Total net assets amounted to 1,147.1 billion yen, 1.9% or 21.1 billion yen higher than that at the end of the previous fiscal year, due to the increases in retained earnings by 2.7% or 24.8 billion yen and noncontrolling interests by 2.8% or 3.5 billion yen, despite the decreases in unrealized gains on securities by 9.5% or 1.7 billion yen and foreign currency translation adjustments by 46.5% or 4.9 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, 2019 amounted to 94.4 billion yen; 94.9 billion yen in the previous corresponding period. The major factors of cash increase were income before income taxes of 71.1 billion yen, the decrease in notes and accounts receivable, trade, and due from subscribers of 32.9 billion yen and depreciation and amortization of 28.2 billion yen. The major factors of cash decrease were income taxes paid of 22.8 billion yen and the decrease in accounts payable of 11.8 billion yen.

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

Net cash used in investing activities amounted to 20.9 billion yen; 35.9 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 26.2 billion yen and payments for purchases of investment securities of 19.7 billion yen. The major factor of cash increase was proceeds from sales and redemptions of investment securities of 23.0 billion yen.

**(Cash flows from financing activities)**

Net cash used in financing activities amounted to 28.9 billion yen; 32.1 billion yen in the previous corresponding period. The major factors of cash decrease were dividends paid of 18.5 billion yen, the decrease in bank loans, net of 3.3 billion yen, repayments of lease obligations of 2.5 billion yen, and repayments of long-term loans of 2.0 billion yen.

As a result, cash and cash equivalents at the end of the six-month period ended September 30, 2019 was 384.1 billion yen, 44.3 billion yen higher than that at the end of the previous fiscal year.

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

Projections for the consolidated financial results for the fiscal year ending March 31, 2020 have not been changed from those disclosed on May 14, 2019.

**(Note for financial projections)**

Projections for the consolidated financial results for the fiscal year ending March 31, 2020, 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. Consolidated Quarterly Financial Statements

### (1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2019	September 30, 2019
<b>ASSETS:</b>		
<b>Current assets:</b>	<b>846,759</b>	<b>848,184</b>
Cash on hand and in banks	350,319	392,164
Cash deposits for armored car services	142,335	141,532
Notes and accounts receivable, trade	133,659	104,244
Due from subscribers	41,616	37,239
Short-term investments	25,382	19,289
Lease receivables and investment in leased assets	41,826	40,009
Merchandise and products	14,146	15,507
Real estate inventories	5,864	6,362
Work in process	5,872	6,463
Costs on uncompleted construction contracts	10,971	11,789
Work in process for real estate inventories	30,743	28,699
Raw materials and supplies	10,398	11,642
Short-term loans receivable	4,398	4,513
Other	31,000	30,349
Allowance for doubtful accounts	(1,775)	(1,623)
<b>Fixed assets:</b>	<b>918,346</b>	<b>918,726</b>
<b>Tangible assets:</b>	<b>378,401</b>	<b>381,795</b>
Buildings and improvements, net	148,693	151,066
Security equipment and control stations, net	71,715	74,336
Land	116,876	117,101
Other, net	41,115	39,290
<b>Intangible assets</b>	<b>128,215</b>	<b>128,005</b>
<b>Investments and others:</b>	<b>411,728</b>	<b>408,926</b>
Investment securities	269,575	267,316
Long-term loans receivable	35,284	34,198
Net defined benefit asset	38,488	37,883
Deferred income taxes	27,469	28,890
Other	53,952	53,361
Allowance for doubtful accounts	(13,042)	(12,723)
<b>Total assets</b>	<b>1,765,105</b>	<b>1,766,910</b>

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

(In millions of yen)

	March 31, 2019	September 30, 2019
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>	<b>369,458</b>	<b>345,830</b>
Notes and accounts payable, trade	45,826	41,080
Bank loans	39,126	35,091
Current portion of straight bonds	2,009	1,530
Lease obligations	4,875	4,603
Payables - other	42,645	35,110
Accrued income taxes	22,767	22,518
Accrued consumption taxes	7,209	5,802
Accrued expenses	7,329	6,492
Deposits received for armored car services	121,086	117,443
Deferred revenue	30,438	31,265
Accrued bonuses	17,255	16,712
Provision for losses on construction contracts	2,913	2,978
Other	25,975	25,201
<b>Long-term liabilities:</b>	<b>269,691</b>	<b>273,932</b>
Straight bonds	4,702	4,754
Long-term loans	10,063	8,833
Lease obligations	11,960	11,411
Guarantee deposits received	32,955	32,569
Deferred income taxes	8,735	8,615
Accrued retirement benefits for directors and audit and supervisory board members	1,046	816
Net defined benefit liability	22,953	22,963
Investment deposits by policyholders, unearned premiums and other insurance liabilities	172,866	179,576
Other	4,406	4,392
<b>Total liabilities</b>	<b>639,150</b>	<b>619,762</b>
<b>NET ASSETS:</b>		
<b>Shareholders' equity:</b>	<b>981,846</b>	<b>1,006,635</b>
Common stock	66,392	66,401
Capital surplus	80,360	80,331
Retained earnings	908,852	933,668
Common stock in treasury, at cost	(73,759)	(73,766)
<b>Accumulated other comprehensive income (losses):</b>	<b>13,873</b>	<b>6,694</b>
Unrealized gains on securities	18,157	16,439
Deferred losses on hedges	(21)	(20)
Foreign currency translation adjustments	(10,683)	(15,646)
Remeasurements of defined benefit plans, net of taxes	6,421	5,921
<b>Noncontrolling Interests</b>	<b>130,234</b>	<b>133,818</b>
<b>Total net assets</b>	<b>1,125,954</b>	<b>1,147,147</b>
<b>Total liabilities and net assets</b>	<b>1,765,105</b>	<b>1,766,910</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, 2018	Six-month period ended September 30, 2019
<b>Revenue</b>	<b>470,983</b>	<b>503,774</b>
Costs of revenue	323,519	344,506
<b>Gross profit</b>	<b>147,464</b>	<b>159,268</b>
Selling, general and administrative expenses	92,561	94,208
<b>Operating profit</b>	<b>54,902</b>	<b>65,060</b>
Non-operating income	14,550	7,662
Non-operating expenses	1,995	2,401
<b>Ordinary profit</b>	<b>67,458</b>	<b>70,320</b>
Extraordinary profit	398	2,396
Extraordinary losses	563	1,610
<b>Income before income taxes</b>	<b>67,293</b>	<b>71,106</b>
Income taxes - current	20,089	22,625
Income taxes - deferred	(3,036)	(569)
Total income taxes	17,052	22,055
<b>Net income</b>	<b>50,240</b>	<b>49,050</b>
<b>Net income attributable to noncontrolling interests</b>	<b>5,665</b>	<b>5,682</b>
<b>Net income attributable to owners of the parent</b>	<b>44,575</b>	<b>43,368</b>

## Consolidated Statements of Comprehensive Income

(In millions of yen)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019
<b>Net income</b>	<b>50,240</b>	<b>49,050</b>
<b>Other comprehensive income (losses):</b>	<b>(6,371)</b>	<b>(7,439)</b>
Unrealized gains (losses) on securities	(618)	(1,865)
Deferred gains (losses) on hedges	(0)	-
Foreign currency translation adjustments	(2,621)	(2,736)
Remeasurements of defined benefit plans, net of taxes	(295)	(543)
Share of other comprehensive income (losses) of affiliated companies accounted for under the equity method	(2,836)	(2,293)
<b>Comprehensive income</b>	<b>43,868</b>	<b>41,611</b>
Comprehensive income attributable to:		
Owners of the parent company	38,536	36,189
Noncontrolling interests	5,332	5,421

### (3) Consolidated Statements of Cash Flows

(In millions of yen)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019
<b>Cash flows from operating activities:</b>		
Income before income taxes	67,293	71,106
Depreciation and amortization	27,528	28,231
Amortization of goodwill	2,727	2,762
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(4,693)	(3,318)
Increase (decrease) in allowance for doubtful accounts	(92)	(417)
Increase / decrease in net defined benefit liability and asset	(578)	(178)
Interest and dividend income	(2,196)	(2,430)
Interest expenses	350	383
Exchange (gains) losses	(38)	486
Net (gains) losses on sales and disposal of fixed assets	732	760
Net (gains) losses on sales of investment securities	(866)	(1,068)
Net (gains) losses on revaluation of investment securities	0	609
Net (gains) losses on sales of investment securities in subsidiaries and affiliates	(0)	(1,962)
Write-down on real estate inventories	3	18
Net (gains) losses on private equity investment	(7,138)	(873)
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	40,328	32,987
(Increase) decrease in inventories	(7,391)	(2,684)
Increase (decrease) in accounts payable	(11,685)	(11,850)
Increase (decrease) in accrued consumption taxes	(1,500)	(1,405)
Increase (decrease) in deferred revenue	1,065	743
Increase (decrease) in investment deposits	6,007	6,709
by policyholders, unearned premiums and other insurance liabilities		
Increase / decrease in cash deposits and deposits received for armored car services	2,616	(2,840)
Other	813	(5,184)
Subtotal	113,285	110,585
Interest and dividend received	6,957	7,025
Interest paid	(361)	(329)
Income taxes paid	(24,945)	(22,823)
<b>Net cash provided by (used in) operating activities</b>	<b>94,936</b>	<b>94,457</b>
<b>Cash flows from investing activities:</b>		
(Increase) decrease in time deposits, net	(310)	1,105
(Increase) decrease in short-term investments, net	1,131	3,172
Payments for purchases of tangible assets	(28,925)	(26,234)
Proceeds from sales of tangible assets	331	662
Payments for purchases of intangible assets	(4,699)	(5,518)
Payments for purchases of investment securities	(16,162)	(19,747)
Proceeds from sales and redemptions of investment securities	12,730	23,062
Payments for purchases of shares of affiliates	(53)	-
(Increase) decrease in short-term loans receivable, net	119	24
Payments for long-term loans receivable	(1,773)	(2,310)
Proceeds from long-term loans receivable	2,722	3,266
Acquisitions of shares of subsidiaries accompanied with changes in scope of consolidation	(2,481)	(725)
Divestitures of shares of subsidiaries accompanied with changes in scope of consolidation	-	2,681
Other	1,446	(379)
<b>Net cash provided by (used in) investing activities</b>	<b>(35,924)</b>	<b>(20,940)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans, net	(9,255)	(3,322)
Proceeds from long-term loans	1,710	-
Repayments of long-term loans	(4,177)	(2,080)
Repayments of lease obligations	(2,560)	(2,590)
Proceeds from issuance of straight bonds	1,560	1,191
Payments for redemption of straight bonds	(397)	(1,645)
Proceeds from stock issuance to noncontrolling shareholders	26	15
Dividends paid	(17,460)	(18,552)
Dividends paid for noncontrolling shareholders	(1,593)	(1,864)
(Increase) decrease in treasury stocks, net	(5)	(6)
Payments for purchases of shares of subsidiaries not accompanied with changes in scope of consolidation	(3)	(91)
<b>Net cash provided by (used in) financing activities</b>	<b>(32,157)</b>	<b>(28,946)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(503)</b>	<b>(265)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>26,350</b>	<b>44,304</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>307,853</b>	<b>339,817</b>
<b>Cash and cash equivalents at end of the period</b>	<b>334,204</b>	<b>384,121</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.

##### [Segment Information, etc.]

##### Segment Information

#### I. Six-month Period Ended September 30, 2018

##### 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	Geospatial information services
Revenue:					
Customers	271,332	56,036	35,424	22,665	20,262
Intersegment	7,092	2,124	84	1,614	65
Subtotal	278,425	58,161	35,508	24,279	20,327
Segment profit (loss)	57,206	1,663	2,462	(2,104)	(1,277)

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Customers	44,232	449,953	21,030	470,983	-	470,983
Intersegment	4,580	15,562	923	16,485	(16,485)	-
Subtotal	48,812	465,515	21,953	487,468	(16,485)	470,983
Segment profit (loss)	3,867	61,817	2,118	63,936	(9,033)	54,902

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 491 million yen and corporate expenses not allocated to each reportable segment of 8,541 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, 2019

### 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	Geospatial information services
Revenue:					
Customers	278,908	65,079	38,492	23,377	22,943
Intersegment	6,188	1,777	101	1,645	98
Subtotal	285,096	66,856	38,593	25,023	23,042
Segment profit (loss)	58,263	5,607	2,803	(236)	(118)

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Customers	49,687	478,489	25,285	503,774	-	503,774
Intersegment	5,146	14,958	635	15,593	(15,593)	-
Subtotal	54,834	493,447	25,921	519,368	(15,593)	503,774
Segment profit (loss)	4,780	71,099	2,711	73,811	(8,750)	65,060

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 (3) million yen and corporate expenses not allocated to each reportable segment of 8,754 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.

#### [Significant Subsequent Events]

Not applicable.