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QUARTERLY FINANCIAL REPORT
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021
 (Based on JAPANESE GAAP) (Consolidated)

August 6, 2021

Company name: SECOM CO., LTD. (URL: <https://www.secom.co.jp/>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Representative: Ichiro Ozeki, President and Representative Director
 Inquiries: Seiya Nagao, Executive Officer and Head of Finance Division
 Phone (03) 5775-8100

Scheduled date of filing Quarterly Securities Report: August 12, 2021

Scheduled date of dividend payout: –

Preparation of quarterly supplementary materials: Applicable

Holding of quarterly results information meeting: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three-month period ended June 30, 2021 (April 1, 2021 – June 30, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three-month period ended								
June 30, 2021	244,277	2.2	34,016	6.6	37,507	22.2	23,897	24.8
June 30, 2020	239,113	0.0	31,896	3.6	30,704	(8.5)	19,148	(6.2)

Note: Comprehensive income Three-month period ended June 30, 2021: JPY 31,943 million [47.0%]
 Three-month period ended June 30, 2020: JPY 21,733 million [10.9%]

	Basic net income per share	Diluted net income per share
Three-month period ended	Yen	Yen
June 30, 2021	109.49	–
June 30, 2020	87.73	–

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

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
June 30, 2021	1,842,547	1,230,146	58.7	4,958.53
March 31, 2021	1,864,179	1,229,824	58.1	4,958.18

Reference: Equity

As of June 30, 2021 : JPY 1,082,253 million

As of March 31, 2021: JPY 1,082,179 million

Note: Equity is calculated by deducting noncontrolling interests 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

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	85.00	—	85.00	170.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Projected)		85.00	—	90.00	175.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022) and the six-month period ending September 30, 2021 (April 1, 2021 – September 30, 2021)

(Percentages indicate changes from the results of the corresponding periods of the previous year.)

	Projected revenue		Projected operating profit		Projected ordinary profit		Projected net income attributable to owners of the parent		Projected basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six-month period ending September 30, 2021	503,000	2.4	63,000	3.7	66,000	11.5	39,500	22.1	180.98
Year ending March 31, 2022	1,052,000	1.6	139,500	1.9	145,000	4.3	86,500	15.8	396.31

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, 2022 and the six-month period ending September 30, 2021 are calculated based on the number of average common shares outstanding over the three-month period ended June 30, 2021, assuming that it remains the same until March 31, 2022.

* Notes

- (1) Changes in significant subsidiaries during the period (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 restatement
 - (i) Changes in accounting policies associated with amendment of accounting standards: Applicable
 - (ii) Other changes in accounting policies: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For information in detail, please refer to “2. Quarterly Consolidated Financial Statement(3) Notes Regarding the Consolidated Quarterly Financial Statement [Changes in Accounting Policy] on page 8 of the Quarterly Financial Report(appendices).

(4) Number of common shares outstanding

(i) Number of common shares outstanding, including treasury stock

As of June 30, 2021	233,295,926 shares
As of March 31, 2021	233,295,926 shares

(ii) Number of shares of treasury stock

As of June 30, 2021	15,034,777 shares
As of March 31, 2021	15,034,565 shares

(iii) Number of average common shares outstanding during the period

The three-month period ended June 30, 2021	218,261,192 shares
The three-month period ended June 30, 2020	218,260,273 shares

Note on status of audit procedures

This report is excluded from the scope of audit procedures.

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 Three-month Period Ended June 30, 2021 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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1. Qualitative Information Regarding the Three-month Period Ended June 30, 2021

(1) Qualitative Information Regarding Consolidated Financial Results

During the three-month period ended June 30, 2021, the Japanese economy remained challenging due to COVID-19, although there were some signs of recovery in some areas such as corporate earnings. While measures are taken to prevent the spread of infections and vaccinations are promoted, continual attention has been required to the impacts of the infectious disease on the domestic and overseas economy as well as the effects of fluctuations in the financial and capital markets.

Under these circumstances, we have been actively working to implement initiatives to achieve the SECOM Group's Vision for 2030, formulated with an aim to establish the "Social System Industry," which delivers safety and peace of mind, as well as makes life more comfortable and convenient, and the SECOM Group Road Map 2022, in which we clarified what we should do now to achieve the vision.

In June 2021, we began offering the Monitoring Service for Seniors. This new service stores and analyzes information from SECOM Home Security sensors in the cloud, enabling family members to check up on their parents living apart in a nonintrusive manner by accessing this information using a smartphone app to confirm any variations in the frequency or nature of daily activities. We also completed the development of cocobo, a new security robot designed to harmonize with commercial facilities, office buildings and other premises, which makes use of cutting-edge technologies, including AI and 5G, to conduct security duties. In the period under review, we continued to provide meticulous and seamless services through various initiatives to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind.

In December 2020, we transferred all of the issued shares of Secom Home Life Co., Ltd., which had been a consolidated subsidiary, and excluded it from the scope of consolidation. As a result, the segment name was changed from "real estate and other services" to "other services" from the three-month period ended June 30, 2021. There is no change in the segment classification as a result of this change regarding the segment name noted above.

Effective from the three-month period ended June 30, 2021, we have reviewed the segment classifications from the perspective of similarity and relevance of business activities in order to provide more appropriate information, and have reclassified some businesses previously included in the security services segment to the BPO and ICT services segment and the other services segment. For comparisons with the same period of the previous fiscal year, information prepared in accordance with the classification after the change is presented and analyzed.

Consolidated revenue for the three-month period ended June 30, 2021 was 244.2 billion yen, up 2.2% from the previous corresponding period, due to the increases in revenue in all reportable segments, despite the effect of decrease in revenue by 4.0 billion yen owing to the exclusion of Secom Home Life Co., Ltd and its subsidiary from the scope of consolidation in December 2020. Consolidated operating profit increased by 6.6% to 34.0 billion yen, attributable to the effect of increases in operating profit in fire protection services and insurance services. Consolidated ordinary profit increased by 22.2% to 37.5 billion yen, mainly due to the recognition of net gains of 0.8 billion yen on private equity investment in the U.S. etc. in the three-month period ended June 30, 2021, compared with net losses of 2.4 billion yen in the previous corresponding period, in non-operating income/expenses. For the three-month period ended June 30, 2021, revenue and operating profit reached a record-high.

Segment information is as follows.

In the security services segment, revenue increased by 0.1% to 134.6 billion yen, mainly due to the brisk sales of on-line security systems for commercial and residential use, as well as the increase in revenue in static guard services, despite the effect of decrease in revenue by 1.6 billion yen owing to the exclusion of subsidiary of Secom Home Life Co., Ltd from the scope of consolidation. Operating profit rose by 0.9% to 28.2 billion yen.

In the fire protection services segment, revenue increased by 13.0% to 30.6 billion yen, mainly attributable to the increase in revenue in fire alarm systems provided by Nohmi Bosai Ltd. Operating profit was up by 456.3% to 1.4 billion yen, chiefly owing to the concentration of projects with high profitability. 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 2.2% to 17.9 billion yen, mainly due to the increase in sales of medical consumables. Operating profit declined by 0.5% to 1.3 billion yen.

In the insurance services segment, revenue increased by 7.7% to 12.1 billion yen, mainly due to the firm increase in sales of MEDCOM, an unrestricted cancer treatment policy provided by Secom General Insurance Co., Ltd. Operating profit was up by 75.0% to 2.9 billion yen, largely attributable to the recognition of reversal of policy reserve.

In the geospatial information services segment, revenue increased by 6.5% to 10.8 billion yen, chiefly owing to the rise in revenue from services for the domestic public sector, with increases in surveying services using airborne laser and vehicle-mounted laser and in other services. Operating loss was 0.2 billion yen, from operating profit of 80 million yen in the previous corresponding period, mainly attributable to the increase in cost ratio as well as selling, general and administrative expenses, largely due to the inclusion of head office relocation 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 BPO and ICT services segment, revenue increased by 2.5% to 27.5 billion yen, chiefly owing to the increase in revenue in TMJ, Inc., a provider of BPO services including contact centers and back office services, and data center business. Operating profit was up by 5.9% to 3.1 billion yen.

In the other services segment, revenue decreased by 9.8% to 10.4 billion yen, mainly due to the effect of decrease in revenue by 2.3 billion yen owing to the exclusion of Secom Home Life Co., Ltd. from the scope of consolidation. Operating profit rose by 0.5% to 1.5 billion yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Consolidated Balance Sheets

Total assets as of June 30, 2021 amounted to 1,842.5 billion yen, 1.2% or 21.6 billion yen lower than that at the end of the previous fiscal year. Total current assets, at 922.1 billion yen, were down 2.1% or 19.9 billion yen. This was largely attributable to the decrease in notes and accounts receivables - trade and contract assets by 27.8% or 36.9 billion yen to 95.9 billion yen, despite the increase in cash on hand and in banks by 3.3% or 16.5 billion yen to 515.8 billion yen. Total fixed assets, at 920.4 billion yen, were down 0.2% or 1.7 billion yen from the end of the previous fiscal year. This was mainly attributable to the decrease in other of investments and others by 13.1% or 7.0 billion yen to 46.5 billion due to the decrease in long-term prepaid expenses, despite increase in investment securities by 2.0% or 5.3 billion yen to 277.5 billion yen.

Total liabilities amounted to 612.4 billion yen, 3.5% or 21.9 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 329.7 billion yen, down 8.7% or 31.3 billion yen, owing to the decreases in accrued income taxes by 73.9% or 17.3 billion yen to 6.1 billion yen, notes and accounts payable, trade by 16.6% or 7.1 billion yen to 35.7 billion yen, accrued bonuses by 33.8% or 6.1 billion yen to 12.1 billion yen, bank loans by 15.8% or 5.3 billion yen to 28.4 billion yen and payables - other by 12.6% or 5.3 billion yen to 36.8 billion yen, despite the increase in deferred revenue by 40.5% or 12.2 billion yen to 42.4 billion yen. Long-term liabilities increased by 3.4% or 9.3 billion yen to 282.6 billion yen, owing to the recognition of long-term deferred revenue of 17.5 billion yen, despite decrease in guarantee deposits received by 23.1% or 7.0 billion yen to 23.6 billion yen.

Total net assets amounted to 1,230.1 billion yen, 0.3 billion yen higher than that at the end of the previous fiscal year, mainly due to the increase in foreign currency translation adjustments by 41.8% or 7.1 billion yen, despite the decreases in retained earnings by 0.5% or 5.3 billion yen and unrealized gains on securities by 6.3% or 1.3 billion yen.

(3) Qualitative Information Regarding Consolidated Financial Projections

Projections for the consolidated financial results for the six-month period ending September 30, 2021 and the fiscal year ending March 31, 2022 have not been changed from those disclosed on May 13, 2021.

(Notes for financial projections)

Projections for the consolidated financial results for the six-month period ending September 30, 2021 and the fiscal year ending March 31, 2022, 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, 2021	June 30, 2021
ASSETS:		
Current assets:		
Cash on hand and in banks	499,247	515,801
Cash deposits for armored car services	138,889	138,522
Notes and accounts receivable, trade	132,886	—
Notes and accounts receivable - trade and contract assets	—	95,985
Due from subscribers	39,980	40,780
Short-term investments	21,579	22,926
Lease receivables and investment in leased assets	41,511	40,541
Merchandise and products	14,289	16,067
Real estate inventories	186	154
Work in process	4,880	4,577
Costs on uncompleted construction contracts	7,524	—
Raw materials and supplies	11,003	11,373
Short-term loans receivable	3,053	3,422
Other	28,714	33,730
Allowance for doubtful accounts	(1,715)	(1,767)
Total current assets	942,033	922,116
Fixed assets:		
Tangible assets:		
Buildings and improvements, net	152,770	154,239
Security equipment and control stations, net	74,704	75,744
Land	120,876	122,556
Other, net	43,424	41,584
Total tangible assets	391,775	394,124
Intangible assets	120,277	118,058
Investments and others:		
Investment securities	272,123	277,510
Long-term loans receivable	33,301	31,832
Net defined benefit asset	39,532	40,362
Deferred income taxes	25,085	25,504
Other	53,588	46,581
Allowance for doubtful accounts	(13,538)	(13,542)
Total investments and others	410,093	408,248
Total fixed assets	922,145	920,431
Total assets	1,864,179	1,842,547

(1) Consolidated Balance Sheets (Continued)

	(In millions of yen)	
	March 31, 2021	June 30, 2021
LIABILITIES:		
Current liabilities:		
Notes and accounts payable, trade	42,858	35,728
Bank loans	33,806	28,453
Current portion of straight bonds	439	439
Lease obligations	4,730	4,791
Payables - other	42,215	36,892
Accrued income taxes	23,440	6,119
Accrued consumption taxes	12,652	11,070
Accrued expenses	7,828	8,403
Deposits received for armored car services	119,334	121,218
Deferred revenue	30,192	42,429
Accrued bonuses	18,298	12,109
Provision for losses on construction contracts	1,820	1,804
Other	23,488	20,319
Total current liabilities	361,106	329,781
Long-term liabilities:		
Straight bonds	3,899	3,896
Long-term loans	10,444	12,202
Lease obligations	12,854	13,108
Guarantee deposits received	30,694	23,618
Deferred income taxes	7,314	7,027
Accrued retirement benefits for directors and audit and supervisory board members	793	767
Net defined benefit liability	22,098	22,069
Long-term deferred revenue	—	17,577
Investment deposits by policyholders, unearned premiums and other insurance liabilities	181,014	178,243
Other	4,134	4,110
Total long-term liabilities	273,248	282,620
Total liabilities	634,355	612,401
NET ASSETS:		
Shareholders' equity:		
Common stock	66,410	66,410
Capital surplus	81,801	81,803
Retained earnings	998,405	993,033
Common stock in treasury, at cost	(73,785)	(73,786)
Total shareholders' equity	1,072,832	1,067,460
Accumulated other comprehensive income (losses):		
Unrealized gains on securities	22,122	20,724
Deferred losses on hedges	(11)	(9)
Foreign currency translation adjustments	(17,011)	(9,897)
Remeasurements of defined benefit plans, net of taxes	4,247	3,976
Total accumulated other comprehensive income (losses)	9,346	14,793
Noncontrolling interests	147,645	147,892
Total net assets	1,229,824	1,230,146
Total liabilities and net assets	1,864,179	1,842,547

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

Consolidated Statements of Income

	(In millions of yen)	
	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Revenue	239,113	244,277
Costs of revenue	160,090	162,154
Gross profit	79,023	82,123
Selling, general and administrative expenses	47,127	48,106
Operating profit	31,896	34,016
Non-operating income	2,993	4,297
Non-operating expenses	4,184	806
Ordinary profit	30,704	37,507
Extraordinary profit	163	566
Extraordinary losses	375	269
Income before income taxes	30,492	37,804
Income taxes - current	7,119	7,150
Income taxes - deferred	2,560	4,441
Total income taxes	9,679	11,592
Net income	20,812	26,212
Net income attributable to noncontrolling interests	1,664	2,314
Net income attributable to owners of the parent	19,148	23,897

Consolidated Statements of Comprehensive Income

	(In millions of yen)	
	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Net income	20,812	26,212
Other comprehensive income (losses):		
Unrealized gains (losses) on securities	4,667	(1,560)
Foreign currency translation adjustments	(1,734)	5,864
Remeasurements of defined benefit plans, net of taxes	(100)	(240)
Share of other comprehensive income (losses) of affiliated companies accounted for under the equity method	(1,913)	1,668
Total other comprehensive income (losses)	920	5,731
Comprehensive income	21,733	31,943
Comprehensive income attributable to:		
Owners of the parent company	20,263	29,343
Noncontrolling interests	1,469	2,599

(3) 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.

[Changes in Accounting Policies]

(Application of Accounting Standard for Revenue Recognition, etc.)

From the beginning of the three month period ended June 30, 2021, we have applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020; hereinafter, “Accounting Standard for Revenue Recognition”), etc. Accordingly, we recognize revenue to describe the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The major changes due to the application of Accounting Standard for Revenue Recognition etc. are as follows:

(1) Initial lump sum revenue related to service contracts, etc.

With respect to the initial lump-sum revenue from some service contracts, etc., the Company previously recognized revenue at the time of acceptance, but has changed to recognize the revenue over a certain period when the customer receives the benefits as performance obligations are satisfied.

(2) Revenue recognition related to construction contracts

For construction contracts, the Company previously applied the percentage-of-completion method when the outcome of the construction activity is deemed certain. However, when control over goods or services is to be transferred to the customer over a certain period of time, the Company has changed the method to one in which revenue is recognized over a certain period of time as the performance obligation to transfer the goods or services to the customer is satisfied. The Company measures the degree of progress toward satisfaction of performance obligations based on the percentage of construction costs incurred by the end of each reporting period to the total construction costs expected to be incurred. In addition, when the degree of progress toward satisfying the performance obligation cannot be reasonably estimated in the early stages of a contract but the costs to be incurred are expected to be recovered, the Company recognizes revenue under the cost recovery method.

The application of the Accounting Standard for the Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the current fiscal year, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy has been applied from the beginning balance. In addition, the Company has applied the method prescribed in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition. The cumulative effect, after accounting procedures for contract changes made prior to the beginning of the first quarter of the current fiscal year based on the contract terms after reflecting all contract changes, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year.

As a result, for the three-month period ended June 30, 2021, revenue increased by 282 million yen, cost of revenue increased by 663 million yen, operating profit decreased by 380 million yen, non-operating expenses decreased by 127 million yen, ordinary profit and income before income taxes decreased by

252 million yen, respectively. The balance of retained earnings at the beginning of current period decreased by 10,717 million yen.

Due to the application of the Revenue Recognition Accounting Standard, “Notes and accounts receivable, trade,” which was a part of “Current assets” in the consolidated balance sheet for the previous fiscal year, is included in “Notes and accounts receivable – trade and contract assets” from the first quarter of the current fiscal year. In addition, a part of “Guarantee deposits received” which was included in “Long-term liabilities” is included in “Long-term deferred revenue” from the first quarter of the current fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, the results for the previous fiscal years are not restated using the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 28-15 of “Accounting Standards for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information on breakdown of revenue arising from contracts with customers for the first quarter of the previous fiscal year is not shown.

(Application of Accounting Standard for Fair Value Measurement, etc.)

From the beginning of the three month period ended June 30, 2021, we have applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019; hereinafter, “Fair Value Accounting Standards”), etc. In accordance with the transitional treatment set forth in Paragraph 19 of Fair Value Accounting Standards and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), we have applied prospectively new accounting policies prescribed by Fair Value Accounting Standards, etc. Consequently, from the three-month period ended June 30, 2021, we have adopted the valuation method based on the market price on the closing date of stocks and beneficiary securities with market value that are among other securities, from the previous method that was based on the average market price over a one-month period prior to the closing date.

[Additional Information]

There have been no material changes to the assumptions, including the future spread of COVID-19 and the timing of its containment, described in Additional Information “Accounting estimates of the impact of the spread of COVID-19” in the Annual Securities Report for the year ended March 31, 2021.

Reference

(Additional Information in the Annual Securities Report for the year ended March 31, 2021)
“Accounting estimates of the impact of the spread of COVID-19”

The SECOM Group has made accounting estimates for impairment of fixed assets and allowance for doubtful accounts based on the assumption that the impact of the spread of COVID-19 will continue for at least a certain period of time. At this point in time, we expect that there will be no material impact on the consolidated financial statements. However, since there are a number of uncertainties regarding the impact of the spread of COVID-19, there may be a significant impact on the financial position and operating results of the SECOM Group in the next fiscal year and beyond.

[Segment Information, etc.]

Segment Information

I. Three-month Period Ended June 30, 2020

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	134,486	27,146	17,602	11,260	10,148
Intersegment	2,896	746	57	830	56
Subtotal	137,382	27,893	17,659	12,091	10,204
Segment profit	28,007	253	1,316	1,686	81

	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	26,873	227,518	11,595	239,113	—	239,113
Intersegment	2,324	6,911	310	7,221	(7,221)	—
Subtotal	29,198	234,429	11,905	246,335	(7,221)	239,113
Segment profit	2,942	34,287	1,501	35,788	(3,892)	31,896

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 includes intersegment elimination of (171) million yen and corporate expenses not allocated to each reportable segment of 4,063 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.

II. Three-month Period Ended June 30, 2021

1. Information about Amounts of Revenue and Profit or Loss by Reportable Segments and Information on Breakdown of Revenue

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geospatial information services
Revenue:					
Revenue from security contracts	117,349	—	—	—	—
Other	15,071	30,688	16,172	170	10,808
Revenue from contracts with customers	132,420	30,688	16,172	170	10,808
Other revenue	2,225	—	1,825	11,954	—
Customers	134,646	30,688	17,997	12,125	10,808
Intersegment	2,920	848	51	841	53
Subtotal	137,567	31,536	18,048	12,966	10,861
Segment profit (loss)	28,254	1,410	1,310	2,951	(286)

	Reportable segments		Other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Revenue from security contracts	—	117,349	—	117,349	—	117,349
Other	27,553	100,463	6,268	106,732	—	106,732
Revenue from contracts with customers	27,553	217,812	6,268	224,081	—	224,081
Other revenue	—	16,005	4,190	20,196	—	20,196
Customers	27,553	233,818	10,459	244,277	—	244,277
Intersegment	1,979	6,695	325	7,020	(7,020)	—
Subtotal	29,532	240,513	10,784	251,298	(7,220)	244,277
Segment profit (loss)	3,115	36,754	1,507	38,262	(4,245)	34,016

Note 1: Other services is an operating segment not designated as a reportable segment, and comprises real estate leasing, construction and installation services, etc.

Note 2: Adjustment of segment profit/ (loss) includes intersegment elimination of (69) million yen and corporate expenses not allocated to each reportable segment of 4,314 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 quarterly consolidated statements of income.

2. Events related to Changes in Reportable Segments, etc.

In December 2020, we transferred all of the issued shares of Secom Home Life Co., Ltd., which had been a consolidated subsidiary, and excluded it from the scope of consolidation. As a result, the segment name was changed from "real estate and other services" to "other services" from the three-month period ended June 30, 2021. There is no change in the segment classification as a result of this change regarding the segment name noted above.

Effective from the three-month period ended June 30, 2021, we have reviewed the segment classifications from the perspective of similarity and relevance of business activities in order to provide more appropriate information, and have reclassified some businesses previously included in the security services segment to the BPO and ICT services segment and the other services segment. The segment information for the first quarter of the previous fiscal year is based on the classification after the change.

Since we have applied the Accounting Standard for Revenue Recognition, etc. effective from the beginning of the three-month period ended June 30, 2021 and changed the accounting method for revenue recognition, as stated in the "Changes in accounting policies" the method for calculating profit or loss in the business segments are changed as well. As a result of this change, compared with the previous method, revenue in the security services segment for the three-month period ended June 30, 2021 decreased by 236 million yen and segment profit decreased by 418 million yen, while revenue in the fire protection services segment increased by 446 million yen and segment profit decreased by 24 million yen.

[Significant Subsequent Events]

Not Applicable