Internet Disclosure Accompanying the Notice of the Convocation of *The 54th Ordinary General Meeting of Shareholders*

Pursuant to the relevant law and ordinance, and Article 16 of the Articles of Incorporation of SECOM CO., LTD., "Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" are made available on the Company's web site (http://www.secom.co.jp/english/ir/). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

Notes to Consolidated Financial Statements

Notes to Significant Items for Preparation of Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 169

Names of major consolidated subsidiaries:
Secom Joshinetsu Co., Ltd., Nohmi Bosai Ltd., Nittan Co., Ltd., Secom Medical System Co., Ltd., Secom General Insurance Co., Ltd., Pasco Corporation, Secom Trust Systems Co., Ltd., At Tokyo Corporation, Secom Home Life Co., Ltd., The Westec Security Group, Inc., Secom Plc

(2) Descriptions of Non-Consolidated Subsidiaries:

Nohmi Kosaku Co., Ltd., Nohmi Facilities Co., Ltd., Nohmi Baoli (Beijing) Intelligent Fire Protection Co., Ltd., Eishin Denshi Co., Ltd. and 10 other companies

(The reason for exclusion from scope of consolidation)
All of these 14 non-consolidated subsidiaries are of a small size, so that the aggregate amounts of total assets, revenue, net income/loss (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) and others do not have a significant effect on the consolidated financial statements.

(3) Names of other companies owing majority of voting rights not regarded as subsidiaries:

Global Sales Training, Inc., CLP Auto Interior Corp., US Water, LLC, CLP Consumer Products, LLC, Consumer Safety Technology, LLC, Taymax Group Holdings, LLC, United Tactical System Holdings, LLC

(The reason for not regarded as subsidiaries)
These companies were acquired by subsidiaries of The Westec Security Group, Inc. through normal course of business with the objective of investment, not with the objective of control.

2. Equity Method

(1) Number of equity method affiliates: 25

Names of major affiliates accounted for under the equity method:
S1 Corporation, Toyo Tec Co., Ltd., Taiwan Secom Co., Ltd.

(2) Number of non-equity method affiliates: 7

(The reason for not applying the equity method)
These 7 companies are not accounted for under the equity method because their effect on net income/loss (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) is insignificant and immaterial as a whole.

3. Changes in Scope of Consolidation and Companies Accounted for under the Equity Method

Consolidation
- Newly consolidated subsidiaries: 1
  - Satellite Image Marketing Corporation (Acquisition)
- Excluded from consolidation: 6
  - SECOM Australia (ACT) Pty. Ltd. and 4 other companies (Liquidation)
  - The Windsor Hotels International Co., Ltd. (Transfer)

Equity Method: None

4. Closing Dates of Consolidated Subsidiaries and Equity Method Affiliates

With respect to overseas consolidated subsidiaries, 8 U.S. subsidiaries such as The Westec Security Group Inc., 8 Australia and New Zealand subsidiaries such as Secom Australia Pty. Ltd., 3 U.K. subsidiaries such as Secom Plc, 17 Chinese subsidiaries such as Secom (China) Co., Ltd., PT. Nusantara Secom Infotech, PT. Secom Indonesia, Secom Medical System (Singapore) Private Limited, Pasco Thailand Co., Ltd., Thaisecom Pitakkij Co., Ltd., Secom Vietnam Co., Ltd., Secom Vietnam Security Service JSC, Pasco Philippines Corp., FM-International Oy, Nohmi Taiwan Ltd., Pasco Do Brasil Participacoes Ltda., Aerodata International Surveys BVBA, Pasco Europe B.V., Pasco Laos Sole Co., Ltd., and Secom Trading Co., Ltd. close their book as of December 31 each year, and the financial statements as of this date are used for preparation of the consolidated financial statements.

With respect to domestic consolidated subsidiaries, while 2 companies such as Zao Urbane Properties Co., Ltd. close their book as of December 31 each year, the financial statements prepared pursuant to the provisional closing of books conducted as of March 31 are used for preparation of the consolidated financial statements.

With respect to equity method affiliates, 11 companies such as S1 Corporation and Taiwan Secom Co., Ltd. close their book as of December 31 each year, and the financial statements as of this date are used for preparation of the consolidated financial statements. While Koatsu Co., Ltd. closes its book as of September 30 each year, the financial statements prepared pursuant to the provisional closing of books conducted as of March 31 are used for preparation of the consolidated financial statements.

The necessary adjustments related to the consolidation are made for any major transactions which arise between the consolidated closing dates. The closing dates of other consolidated subsidiaries and equity method affiliates are the same as the consolidated closing date.

5. Significant Accounting Policies

(1) Valuation policies and methods for significant assets

1) Securities

a. Held-to-maturity debt securities are carried at amortized cost.

b. Available-for-sale
- Securities with fair value
  - Stock and beneficiary securities: At fair value based on the average market price one month prior to the fiscal year-end
  - Others: At fair value based on market price at fiscal year-end

Net unrealized gains and losses of securities are primarily reported directly in net assets. The cost of securities sold is primarily calculated by the moving average method.

Securities with no fair value
At cost, principally based on the moving average method

2) Derivatives
Derivatives are stated at fair value.

3) Inventories
Inventories are principally stated at cost based on the moving average method (or at the net realizable value (NRV) calculated by writing down the book value to reflect a decrease in the NRV).

4) Real estate for sale
Stated at cost by the specific cost method (or at the NRV calculated by writing down the book value to reflect a decrease in the NRV).

(2) Depreciation and Amortization of Depreciable and Amortizable Fixed Assets

1) Tangible Assets (except for leased assets)

a. Security equipment and control stations
Security equipment and control stations are depreciated over their average estimated useful lives (5-8 years) by the declining-balance method.

b. Other tangible fixed assets
Other tangible fixed assets are depreciated by the straight-line method.
Their main useful lives are as follows:
Buildings and improvements: 22-50 years
Tools and equipment: 2-20 years

2) Intangible Assets (except for leased assets)
Intangible fixed assets are amortized by the straight-line method.
The software used in the Company is amortized by the straight-line method based on the useful lives within the Company (5 years).

3) Leased Assets

a. Leased assets related to ownership-transfer finance lease transactions
Depreciated, using the same depreciation method applied to fixed assets in possession.

b. Leased assets related to non-ownership-transfer finance lease transactions
Depreciated, using the straight-line method over a useful life equal to the lease period with a residual value of zero.
In addition, non-ownership-transfer finance leases entered into on or before March 31, 2008 are treated using the method applicable to operating lease transactions.

4) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized by the straight-line method. With respect to the installation costs related to security equipment at the customer premises, any portion exceeding the amount received from the customer is included in “long-term prepaid expenses” and amortized by the straight-line method over the contract period (5 years).

(3) Basis for Significant Allowances

1) Allowance for Doubtful Accounts

To prepare for losses from bad debts such as losses on trade receivables and loans, the allowance for doubtful accounts provides an estimated amount of uncollectables. It is determined based on the historical loss rate with respect to ordinary accounts, and an estimate of uncollectable amounts respectively determined by reference to specific doubtful accounts from customers who are experiencing financial difficulties.

2) Accrued Bonuses

The accrued bonuses are provided for the bonus payments to employees, at an amount incurred during the current fiscal year.

3) Reserve for Losses on Construction Contracts

To prepare for future losses on construction contracts etc., an accrual is provided based on the estimated losses on construction contracts etc. that are undelivered at the end of the current fiscal year.

4) Accrued Retirement Benefits for Directors and Audit & Supervisory Board Members

To prepare for payment for retirement benefits of Directors and Audit & Supervisory Board Members of domestic consolidated subsidiaries, a necessary amount at the end of the current fiscal year is accrued based on the rules of the Directors and Audit & Supervisory Board Members’ retirement benefits.

(4) Revenue and Cost Recognition Policies

1) Revenue Recognition Policies for Construction Contracts and Cost of Completed Work

Percentage-of-completion method is applied to construction contracts whose outcomes are deemed certain for progress until the end of the current fiscal year, and the completed-contract method is applied to other construction contracts. The percentage of costs incurred to the estimated total cost is used for estimating the percentage of completion.

2) Recognition Policies for Revenue and Costs of Finance Leases

Revenue and cost are recognized upon receipt of lease payments.

(5) Other Significant Items for Preparation of Consolidated Financial Statements

1) Accounting for Major Hedge

a. Hedge Accounting Policy

The Company principally applies deferred hedging accounting. The interest rate swaps that fulfill requirements for exceptional treatments permitted for interest rate swaps are accounted for using exceptional treatments.

b. Hedging Instruments and Hedged Items

Hedging instruments:	Hedged items:
Interest rate swap	Loans payable

c. Hedging Policy

The risks for forward interest rate fluctuations are to be hedged principally pursuant to the risk management policy of the Company.

d. Assessment of Hedge Effectiveness

Hedge effectiveness is assessed by comparing the cumulative totals of price fluctuations of the hedged items and hedging instruments from the beginning of hedging to the effective point of assessment, taking the changes of both the hedged items and hedging instruments into account. However, when an item is judged to fulfill requirements for exceptional treatments, the assessment of hedge effectiveness is omitted.

2) Basis for Recognizing Net Defined Benefit Asset and Net Defined Benefit Liability

To prepare for the retirement benefits of employees, the Company and its domestic consolidated subsidiaries recognize a net defined benefit asset and a net defined benefit liability for the amount calculated by deducting plan assets from retirement benefit obligations, based on the estimated amount of these items at the end of the current fiscal year.

Prior service cost is recognized as profit or loss in the year of occurrence.

Actuarial gains and losses are amortized from the following fiscal year of occurrence, using the straight-line method over certain years within the average remaining service period (mainly 10 years).

Unrecognized actuarial gains and losses are included in the line item “Remeasurements of defined benefit plans, net of taxes” of accumulated other comprehensive income in the net assets section.

3) Amortization of Goodwill and Negative Goodwill

Goodwill, and negative goodwill incurred on or before March 31, 2010 are amortized by the straight-line method over 5-15 years.

4) Accounting for Consumption Tax etc.

Tax-exclusive method is adopted.

6. Changes in Significant Items for Preparation of Consolidated Financial Statements

(Application of the Accounting Standard for Business Combinations)

The “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter referred to as the “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter referred to as the “Accounting Standard for Consolidated Financial Statements”), and “Accounting Standard for

Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Divestitures") could be applied from the fiscal year beginning after April 1, 2014. Accordingly, the Company applied these accounting standards (excluding section 39 of the Accounting Standard for Consolidated Financial Statements) from the current fiscal year. Under these accounting standards, the Company recorded the differences caused by changes in our equity shares in subsidiaries in which the Company continues to control as a capital surplus. In addition, the Company recorded acquisition-related costs as expenses in the fiscal year in which the costs were incurred. Regarding business combinations that are conducted after the beginning of the current fiscal year, acquisition costs based on provisional estimates shall be reflected in the consolidated financial statements for the fiscal year in which the date of the business combination falls.

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

As a result, at the beginning of the current fiscal year, goodwill decreased by YEN 4,100 million, capital surplus decreased by YEN 2,762 million, and retained earnings decreased by YEN 1,336 million. During the current fiscal year, consolidated operating profit increased by YEN 656 million, consolidated ordinary profit increased by YEN 523 million and consolidated income before income taxes increased by YEN 519 million, respectively.

As a result of reflecting the cumulative effects of the retrospective application of these standards to all past fiscal years to net assets at the beginning of the current fiscal year, the capital surplus balance at the beginning of the current period in consolidated statements of changes in net assets decreased by YEN 2,762 million, and retained earnings decreased by YEN 1,336 million.

The impact of this change on per share data can be found under the relevant sections.

(Application of the Accounting Standard for Retirement Benefits)

From the current fiscal year, section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the "Accounting Standard for Retirement Benefits") and section 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereinafter referred to as the "Guidance on Retirement Benefits") have been applied. Accordingly, the Company reviewed the calculation method of retirement benefit liabilities and service costs and changed the method of the attribution period for the estimated amount of retirement benefits from the straight-line basis to the benefit formula basis, and changed the method of determining the discount rate, regarding the bond interest rate which is the basis of determining the discount rate, from a method using the discount rate based on the average remaining service period of employees to a method using the weighted average discount rate which reflects the estimated number of years of benefit payment and its amount in each year.

In accordance with section 37 in the Accounting Standard for Retirement Benefits, which stipulates the transitional treatment of the new standard, at the beginning of the current fiscal year, the effect of changes in the calculation method for the retirement benefit liabilities and service costs were adjusted to the retained earnings.

As a result, at the beginning of the current fiscal year, net defined benefit assets increased by YEN 4,456 million, net defined benefit liabilities increased by YEN 750 million, and retained earnings increased by YEN 2,542 million. During the current fiscal year, consolidated operating profit, consolidated ordinary profit, and consolidated income before income taxes decreased by YEN 236 million, respectively.
As a result of reflecting the cumulative effects of the retrospective application of these standards to all past fiscal years to net assets at the beginning of the current fiscal year, the balance of retained earnings at the beginning of the current period in consolidated statements of changes in net assets increased by YEN 2,542 million.
The impact of this change on per share data can be found under the relevant sections.

7. Change in the Presentation Related to Consolidated Statements of Income
"Reversal of allowance for doubtful accounts" (YEN 2 million in the current fiscal year), which had been presented as separate line items in extraordinary income in the prior year, were included in "other" in extraordinary income from the current fiscal year owing to the amounts being financially immaterial.

Notes to Consolidated Balance Sheet

1. Cash on hand and in banks, and “Other” in Investments and others
Under certain provisions on sales agreements for investment securities that apply to certain consolidated subsidiaries, restrictions are imposed on the use of part of cash on hand and in banks (YEN 983 million) and other (YEN 3,054 million) in investments and others.

2. Cash Deposits for Armored Car Services and Short-term Bank Loans

For financial institutions, the Company and some of the domestic consolidated subsidiaries provide cash collection from and cash filling to cash dispensers located outside of financial institution facilities. The balance of cash deposits for armored car services includes cash on hand and cash in banks representing a total of YEN 26,494 million connected with cash filling services, which is restricted in use by the Group. The short-term bank loan balance includes YEN 8,963 million financed for the cash filling services.
Furthermore, the balance of cash deposits for armored car services includes YEN 23,900 million connected with cash collection administration services, which is also restricted in use by the Group. Also, the short-term bank loan balance includes YEN 20,453 million financed for the cash collection administration services.

3. Assets Pledged as Collateral and Collateral-related Liabilities:
(1) Assets Pledged as Collateral

	(Millions of Yen)
Cash on hand and in banks (time deposit)	2,080
Short-term loans receivables	13
Other - current assets (receivable - other)	711
Buildings and improvements	26,248
Land	24,126
Other - intangible assets (leasehold)	818
Investment securities	1,132
Long-term loans receivable	739
Total	55,871

(2) Collateral-related Liabilities

	(Millions of Yen)
Bank loans	4,867
Current portion of straight bonds	1,250
Straight bonds	8,173
Long-term loans	12,987
Total	27,279

In addition to the above liabilities, short-term loans receivable, investment securities and long-term loans receivable are pledged as collateral for the debts of affiliates and other debts.

4. Accumulated Depreciation of Tangible Assets
YEN 412,780 million

5. Investment in Non-Consolidated Subsidiaries and Affiliates:
(Fixed assets)
Investment securities (stocks) YEN 52, 625 million

6. Contingent Liabilities:
Guarantees of liabilities of entities and individuals YEN 5,000 million

7. Presentation of Goodwill and Negative Goodwill
Goodwill and negative goodwill are presented in netted amount. Listed below are the amounts before the offset.

	(Millions of Yen)
Goodwill	14,781
Negative goodwill	216
Net amount	14,564

Notes to Consolidated Statement of Income

1. Write-down on Real Estate Inventories Included in Cost of Revenue
YEN 1,564 million

2. Impairment Loss
The Group recognized impairment losses on the following groups of assets for the current fiscal year (YEN 4,933 million).
The Company and its consolidated subsidiaries determine the grouping of assets in accordance with the categories used for managerial accounting purposes for operating assets and on the basis of individual assets for idle assets. Estimated future cash flows of certain operating assets fell significantly during the current fiscal year and the Group wrote down the book value of those assets and idle assets to their recoverable amount.

Use	Type	Region	Impairment loss (Millions of Yen)
Operating assets	Buildings, land, etc.	Kanto 9 Other 4	3,413
Idle assets	Buildings, land, etc.	Kanto 93 Other 13	1,519

The net realized value of the asset groups is measured at net selling price or value in use. Net selling price is determined based on the reasonably estimated price considering trading cases in the neighborhood or the appraisal value provided by real estate appraisers. Value in use is calculated based on discounted future cash flow by the rate of 5.0%.

Notes to Consolidated Statement of Changes in Net Assets

1. Items Related to Issued Shares and Treasury Stocks

(Unit : 1 share)

	Number of shares at the beginning of the fiscal year	Increase in the number of shares in the fiscal year	Decrease in the number of shares in the fiscal year	Number of shares at the end of the fiscal year
Issued shares				
Common stocks	233,288,717	-	-	233,288,717
Treasury stocks				
Common stocks	15,022,012	2,872	72	15,024,812

(Outline of reasons for change)

The increase of 2,872 in the number of common stocks is due to the purchase of shares constituting less than one unit.

The decrease of 72 in the number of common stocks is due to requests to sell such number of shares as will constitute, together with the shares constituting less than one unit of shares already held, one full unit.

2. Items Related to Dividends

(1) Amount of Dividends Paid

Resolution	Classes of Shares	Total amount of cash dividend (Millions of Yen)	Cash dividend per share(Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2014	Common stock	25,100	115	March 31, 2014	June 26, 2014
Board of Directors Meeting on November 10, 2014	Common stock	13,095	60	September 30, 2014	December 8, 2014

(2) Of the dividends whose record date belongs to the current fiscal year, the following are those dividends whose effective date belongs to the next fiscal year.

The matters planned to be resolved on the general meeting of shareholders are as follows:

Resolution	Classes of Shares	Source of dividend	Total amount of cash dividend (Millions of Yen)	Cash dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2015	Common stock	Retained earnings	14,187	65	March 31, 2015	June 26, 2015

Notes to Financial Instruments

1. Items Related to Status of Financial Instruments

The Group (excluding its insurance services segment) raises necessary funds, with the aim of establishing "Social System Industry," by means of procuring funds from markets and borrowing money from financial institutions. The Group, except for its insurance services segment, also holds financial instruments for promoting its business and investment. Derivatives are primarily used for averting market risks associated with loans, etc., and it is the Group's policy not to perform speculative transactions.

The Group's insurance services segment manages funds using financial instruments for the purpose of safely and carefully holding and managing insurance premiums received from policyholders for underwriting insurance policies as a source of funds for paying for future insurance claims. As the financial instruments in which the Group’s insurance services segment invests are exposed to market risks including interest rate fluctuation risks, the Group’s insurance services segment performs asset-liability management (ALM) to prevent any adverse impact of such risks from arising.

2. Items Related to Fair Values of Financial Instruments etc.

The amounts recognized on the consolidated balance sheet, fair values and corresponding differences as of March 31, 2015 are listed below. Items whose fair value has been deemed extremely difficult to identify are not included in the table below. (See Note 2)

(Millions of Yen)

	Amount recognized on the consolidated balance sheet	Fair value	Difference
(1)Cash on hand and in banks	232,221	232,221	-
(2)Cash deposits for armored car services	50,395	50,395	-
(3)Call loans	15,500	15,500	-
(4)Notes and accounts receivable, trade	114,071	114,071	-
(5)Due from subscribers	26,316	26,316	-
(6)Short-term investments and investment Securities			
(i) Held-to-maturity debt securities	12,711	13,457	745
(ii) Investment securities in affiliates	44,292	133,559	89,267
(iii) Available-for-sale securities	238,456	238,456	-
(7)Lease receivables and investment in leased assets	39,242	39,314	72
(8)Short-term loans receivable	2,268		
Allowance for doubtful accounts	-		
	2,268	2,268	-
(9)Long-term loans receivable	42,904		
Allowance for doubtful accounts (*1)	(15,789)		
	27,115	27,431	316
Total assets	802,590	892,992	90,401
(1)Notes and accounts payable, trade	43,160	43,160	-
(2)Bank loans	44,965	44,965	-
(3)Payables - other	33,849	33,849	-
(4)Accrued income taxes	21,063	21,063	-
(5)Straight bonds	9,828	9,828	-
(6)Long-term loans	20,602	20,622	20
(7)Guarantee deposits received	4,491	4,427	(64)
Total liabilities	177,960	177,916	(44)
Derivative transactions (*2)			
(i) Hedge accounting not applied	-	-	-
(ii) Hedge accounting applied	-	(109)	(109)
Total derivative transactions	-	(109)	(109)

*1 Allowance for doubtful accounts for loans receivable is deducted.

*2 Net claims and obligations arising from derivative transactions are shown as net values. Items for which the total is a net obligation are shown in parentheses.

(Note 1) Calculation method of fair value of financial instruments and matters concerning securities and derivative transactions

Assets:

(1) Cash on hand and in banks, (2) Cash deposits for armored car services, (3) Call loans, (4) Notes and accounts receivable, trade, (5) Due from subscribers and (8) Short-term loans receivable

These items are stated at their book value, as these items are mainly settled in a short period of time and their fair value approximates their book value.

(6) Short-term investments and investment securities

The fair value of stocks is based on the price quoted on the exchange whereas the fair value of straight bonds etc. is based on the price quoted on the exchange or the price presented by the corresponding financial institution.

(7) Lease receivables and investment in leased assets

These items are stated at present value calculated by discounting the sum of the principal and interest at the interest rate assumed when a new similar lease transaction is performed.

(9) Long-term loans receivable

These items are stated at present value calculated by discounting the sum of the principal and interest at the interest rate assumed when a new similar loan transaction is performed with respect to each category based on type, internal rating and period of the loans receivable. The fair value of doubtful accounts is approximately the same as the value on the balance sheet as of the fiscal year-end less the current estimated losses from loan, as the estimated losses from loan is calculated based on the discounted present value of estimated cash flow or the expected recoverable amount with collateral and guarantee etc.; therefore, the said value is stated as fair value. Certain consolidated subsidiaries calculate the present value of future cash flow by discounting the future cash flow at an interest rate equal to an appropriate index such as the yield of government bonds plus the credit spread according to the residual period.

Liabilities:

(1) Notes and accounts payable, trade, (2) Bank loans, (3) Payables - other and (4) Accrued income taxes

These items are stated at their book value, as these items are mainly settled in a short period of time and their fair value approximates their book value.

(5) Straight bonds

These items are stated at present value calculated by discounting the sum of the principal and interest at the interest rate assumed when new similar straight bonds are issued, according to the residual period of the straight bonds.

(6) Long-term loans

These items are stated at present value calculated by discounting the sum of the principal and interest at the interest rate assumed when a new similar debt is taken on.

(7) Guarantee deposits received

Guarantee deposits received are stated at present value calculated by discounting the future cash flow at risk-free interest rate.

Derivative transactions:

Derivatives are stated at the price presented by the financial institution with which the Group has concluded an agreement.

(Note 2) Financial instruments whose fair value is deemed extremely difficult to identify

(Millions of Yen)

Item	Amount recognized on the consolidated balance sheet
Unlisted stock (*1)	3,161
Unlisted stock of affiliates (*1)	8,333
Investments in limited partnerships for investment etc. (*1)	5,885
Deposit from business activities (*2)	31,509

*1 Not included in “(6) Short-term investments and investment securities” due to lack of market price and extreme difficulty in identifying fair value.

*2 Not included in “(7) Guarantee deposits received” because reasonable estimation of cash flow is deemed extremely difficult due to lack of market price and difficulty in calculating the effective depositing period.

Notes to Rental Property and Other Real Estate

The Company and some of its consolidated subsidiaries own rental office buildings and medical facilities such as hospitals, in addition to rental housing etc. mainly in Tokyo and other major cities across the country.

The amount recognized on the consolidated balance sheet, the amount of increase/decrease during the current fiscal year and the fair value of such rental properties are as follows:

(Millions of Yen)

	Amount recognized on the consolidated balance sheet			Fair value at the end of the fiscal year
	Balance at the beginning of the fiscal year	Increase/decrease during the fiscal year	Balance at the end of the fiscal year	
Office buildings	43,922	(1,563)	42,358	60,846
Medical facilities	48,894	7,102	55,997	53,847
Other	7,347	(179)	7,168	7,402
Total	100,164	5,359	105,523	122,096

(Note 1) The amount recognized on the consolidated balance sheet equals the acquisition cost less accumulated depreciation and accumulated impairment loss.

(Note 2) Main reason of amount increase of medical facilities in increase/decrease during the fiscal year is that Secom Medical System Co., Ltd, a consolidated subsidiary of the Company, acquired real estate held by associated hospitals, which accounts for YEN 8,728 million.

(Note 3) The fair value at the end of the current fiscal year is, in the case of major properties, the amount based on real-estate appraisal by an external real-estate appraiser, and in the case of other properties, the amount calculated in-house based on the Real Estate Appraisal Standard. However, if no significant fluctuations have occurred in a certain valuation or an index that is deemed to properly reflect the market price since the acquisition of the property from a third party or the most recent external valuation, the fair value is based on such valuation or the amount adjusted by using the index.

Profit or loss on rental properties and other real estate for the fiscal year ended March 31, 2015 is as follows:

(Millions of Yen)

	Rental income	Rental expenses	Difference	Other (gains/losses on sale etc.)
Office buildings	3,647	1,547	2,100	108
Medical facilities	6,215	3,369	2,845	0
Other	442	180	262	(55)
Total	10,305	5,097	5,208	52

(Note) The rental expenses include depreciation, repair costs, insurance premium, taxes and public imposts, etc.

Notes to Deferred Tax Accounting

1. The Significant Components of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred tax assets: (Millions of Yen)

Investment deposits by policyholders, unearned premiums and other insurance liabilities and provision for outstanding claims	8,028
Eliminations of unrealized gain	7,533
Operating loss carry-forwards	7,271
Adjustment of book value of fixed assets of subsidiaries at fair value at the date of consolidation (land and buildings)	6,378
Allowance for doubtful accounts	6,274
Net defined benefit liability	5,910
Accrued bonuses	4,847
Write-down on fixed assets	4,326
Impairment loss	3,736
Write-down on real estate inventories	1,714
Other	8,620
Gross deferred tax assets	64,640
Valuation allowance	(26,179)
Total deferred tax assets	38,461

Deferred tax liabilities:

Net defined benefit asset	(11,128)
Unrealized gains on securities	(10,916)
Adjustment of book value of fixed assets of subsidiaries at fair value at the date of consolidation (land and buildings)	(6,142)
Adjustment of book value of fixed assets of subsidiaries at fair value at the date of consolidation (intangible assets)	(4,420)
Adjustment of book value of fixed assets of subsidiaries at fair value at the date of consolidation (other fixed assets)	(1,096)
Other	(628)
Total deferred tax liabilities	(34,333)
Net deferred tax assets	4,128

2. Summary of the Reconciliation between the Statutory Tax Rate and the Effective Tax Rate after the Application of Deferred Tax Accounting

In the current fiscal year, difference between the statutory tax rate and the effective tax rate after the application of deferred tax accounting accounted for less than 5% to the statutory tax rate. Accordingly the note is omitted.

3. Adjustment to the Amounts of Deferred Tax Assets and Liabilities due to the Change in the Corporate Income Tax Rate

   In accordance with the promulgation of the "Law for Partial Amendment of the Income Tax Law, Etc.” (2015, Law No. 9) and the “Law for Partial Amendment of the Local Tax Law, Etc.” (2015, Law No. 2) on March 31, 2015, the statutory tax rate, which is used to calculate deferred tax assets and liabilities (however, only for those realized on or after April 1, 2015), has been reduced from 35.4% used in the previous fiscal year to 32.9% and 32.1% for the temporary differences expected to be recovered or paid in the fiscal year beginning on or after April 1, 2015 and April 1, 2016, respectively.
   The effects of this tax rate change on the consolidated financial statements are immaterial.

Notes to Retirement Benefits

1. Outline of the Retirement Benefit Plan Adopted:

   Employees of the Company and its consolidated domestic subsidiaries whose services are terminated are, under most circumstances, eligible for lump-sum severance indemnities and/or eligible for pension benefits.

   The Company and its domestic consolidated subsidiaries with the same retirement benefit plan have adopted a severance indemnity plan and a defined contribution pension plan, and have also implemented a matching contribution plan since July 2012. The method of calculating the severance indemnity under the severance indemnity plan is to pay out to the employees an amount equal to a certain percentage of their annual income over their period of service, plus interest which is calculated as the 3-year average yield of applicants for 10-year government bonds. The defined contribution pension plan was established in April 2003, a portion equivalent to 20 % of the severance indemnity plan so far accumulated was transferred to the new plan, and a specified percentage of annual income is contributed thereto. The Company transferred an additional portion of the severance indemnity plan funds to the defined contribution pension plan in April 2005, and accordingly, the ratio of the accumulated amount in the severance indemnity plan and the amount of contributions to the defined contribution pension plan, including the past reserve, changed to 70 % and 30 %, respectively.

   The majority of the consolidated overseas subsidiaries have adopted a variety of pension plans that essentially cover all employees. Most of these plans are defined contribution pension plans.

   In defined contribution pension plans and lump-sum severance indemnity plans for some consolidated subsidiaries, net defined benefit liabilities and retirement benefit expenses are calculated using the simplified method

2. Defined Benefit Plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligations (excluding those pertaining to plans to which the simplified method is applied)

(Millions of Yen)

Beginning balance of retirement benefit obligations	84,463
Accumulated effect of changes in accounting policies	(3,706)
Beginning balance after changes in accounting policies	80,757
Service cost	4,971
Interest cost	900
Actuarial gains and losses incurred	1,197
Retirement benefits paid	(3,605)
Increase due to change from the simplified method to the principle method	1,017
Ending balance of retirement benefit obligations	85,238

(2) Reconciliation of beginning and ending balances of plan assets (excluding those pertaining to plans to which the simplified method is applied)

(Millions of Yen)

Beginning balance of plan assets	86,702
Expected rate of return	2,491
Actuarial gains and losses incurred	12,574
Contributions from the employer	5,406
Retirement benefits paid	(2,802)
Ending balance of plan assets	104,372

(3) Reconciliation of beginning and ending balances of net defined benefit liability pertaining to plans to which the simplified method is applied

(Millions of Yen)

Beginning balance of net defined benefit liability	3,196
Retirement benefit expenses	545
Retirement benefits paid	(320)
Contributions to the plan	(173)
Decrease due to change from the simplified method to the principle method	(619)
Ending balance of net defined benefit liability	2,628

(4) Reconciliation of ending balances of retirement benefit obligations and plan assets with net defined benefit liability and net defined benefit asset recognized in the consolidated balance sheet

(Millions of Yen)

Retirement benefit obligations of funded plans	73,561
Plan assets	(106,427)
	(32,865)
Retirement benefit obligations of non-funded plans	16,359
Net amount of assets and liabilities recognized in the consolidated balance sheet	(16,505)

(Millions of Yen)

Net defined benefit liability	18,504
Net defined benefit asset	(35,010)
Net amount of assets and liabilities recognized in the consolidated balance sheet	(16,505)

(Note) Including plans to which the simplified method is applied.

(5) Retirement benefit expenses and their breakdown

(Millions of Yen)

Service cost	4,971
Interest cost	900
Expected rate of return	(2,491)
Amortization of actuarial gains and losses	1,555
Retirement benefit expenses calculated using the simplified method	545
Retirement benefit expenses pertaining to defined benefit plans	5,479

(6) Remeasurements of defined benefit plans
The breakdown of the amount recognized in remeasurements of defined benefit plans (before the tax effect) is as follows:

(Millions of Yen)

Unrecognized actuarial gains and losses	(8,172)
Total	(8,172)

(7) Matters concerning actuarial assumptions
Major actuarial assumptions applied at the end of the current fiscal year

Discount rate	Mainly 0.8%
Long-term expected rate of return	Mainly 3.0%

3. Defined contribution plans
The amount of contribution required for the Company and its consolidated subsidiaries is YEN 1,772 million in total.

Notes to Asset Retirement Obligation

1. Asset retirement obligations recognized in consolidated balance sheet
Footnote information of asset retirement obligations recognized in the consolidated balance sheet is omitted as they are immaterial.

2. Asset retirement obligations not recognized in consolidated balance sheet
A certain building of a consolidated subsidiary must be restored to its original state under the building lease agreement upon returning the building at the expiry of the lease. However, the Company does not plan to relocate from the building in its business strategies and it is assumed to be used until the building is demolished through the renewal of the agreement. In cases where the building is demolished, it is not expected to execute the contractual obligation to restore the building to its original state. For this reason, though the Company tried to establish best estimates, considering evidence available as at the closing date, asset retirement obligations have not been recognized with respect to such obligations, since it is impracticable to forecast the probability regarding the scope and the amount of asset retirement obligations.

Notes to Per-Share Information

Net assets per share:	YEN 3,667.33
Net income per share:	YEN 345.42

As described in "Changes in Significant Items for Preparation of Consolidated Financial Statements," the Company applied the Accounting Standard for Business Combinations, etc., and followed the transitional treatment as stipulated in section 58-2(3) of the Accounting Standard for Business Combinations, section 44-5(3) of the Accounting Standard for Consolidated Financial Statements, and section 57-4(3) of the Accounting Standard for Business Divestitures.
As a result, net assets per share for the current fiscal year declined by YEN 18.79. The impact on the current net income per share is immaterial.

As described in "Changes in Significant Items for Preparation of Consolidated Financial Statements," the Company applied the Accounting Standard for Retirement Benefits, etc., and followed the transitional treatment as stipulated in section 37 of the Accounting Standard for Retirement Benefits.
As a result, net assets per share for the current fiscal year increased by YEN 11.12. The impact on the current net income per share is immaterial.

Notes to Non-Consolidated Financial Statements

Notes to Significant Accounting Policies

1. Valuation Policies and Methods for Assets

(1) Valuation Policies and Methods for Securities

1) Held-to-maturity debt securities
Amortized cost method

2) Investment Securities in Subsidiaries and Affiliates
At cost, based on the moving average method

3) Available-for-sale Securities
Securities with fair value
Stock and beneficiary securities: At fair value based on the average market price in one month prior to the fiscal year-end.
Others: At fair value based on market price at fiscal year-end

Net unrealized gains and losses of securities are reported directly in net assets. The cost of securities sold is calculated by the moving average method.

Securities with no fair value
At cost, based on the moving average method or amortized cost method.

(2) Valuation Policies and Methods for Inventories
Merchandise and supplies are stated at cost determined by the moving average method (or at the net realizable value (NRV) calculated by writing down the book value to reflect a decrease in the NRV).

2. Depreciation and Amortization of Depreciable and Amortizable Fixed Assets

(1) Tangible Assets: (except for leased assets)

1) Security equipment and control stations
Security equipment and control stations are depreciated over their average estimated useful lives (5-8 years) by the declining-balance method.

2) Other tangible fixed assets
Other tangible fixed assets are depreciated by the straight-line method.
Their main useful lives are as follows:
Buildings and improvements: 22-50 years

(2) Intangible Assets
Intangible fixed assets are amortized by the straight-line method.
The software used in the Company is amortized by the straight-line method based on the useful lives within the Company (5 years).

(3) Leased Assets

1) Leased assets related to ownership-transfer finance lease transactions
Depreciated, using the same depreciation method applied to fixed assets in possession.

2) Leased assets related to non-ownership-transfer finance lease transactions
Depreciated, using the straight-line method over a useful life equal to the lease period with a residual value of zero.

In addition, non-ownership-transfer finance leases entered into on or before March 31, 2008 are treated using the method applicable to operating lease transactions.

(4) Long-term Prepaid Expenses:
Long-term prepaid expenses are amortized by the straight-line method. With respect to the installation costs related to security equipment at the customer premises, any portion exceeding the amount received from the customer is included in "long-term prepaid expenses" and amortized by the straight-line method over the contract period (5 years).

3. Basis for Significant Allowances

(1) Allowance for Doubtful Accounts
To prepare for losses from bad debts such as losses on trade receivables and loans, the allowance for doubtful accounts provides an estimated amount of uncollectables. It is determined based on historical loss rate with respect to ordinary accounts, and an estimate of uncollectable amounts, respectively determined by reference to specific doubtful accounts from customers who are experiencing financial difficulties.

(2) Accrued Bonuses
Accrued bonuses are provided for the bonus payments to employees, at an amount incurred during the current fiscal year.

(3) Accrued Pension and Severance Costs
To prepare for the retirement benefits of employees, the Company provides an amount of accrued pension and severance costs and prepaid pension and severance costs at the end of the current fiscal year, based on the estimated amount of projected benefit obligation and plan assets as of the end of the current fiscal year.
In calculating retirement benefit liabilities, the benefit formula basis is adopted to attribute the estimate amount of retirement benefit to the current fiscal year end.
Prior service liability is recognized as profit or loss in the year of occurrence.
Actuarial gains and losses are amortized from the following fiscal year of occurrence, using the straight-line method over certain years within the average remaining service period (10 years).

4. Revenue and Cost Recognition Policies

Revenue Recognition Policies for Construction Contracts and Cost of Completed Work
Percentage-of-completion method is applied to construction contracts whose outcomes are deemed certain for progress until the end of the current fiscal year, and the completed-contract method is applied to other construction contracts. The percentage of costs incurred to the estimated total cost is used for estimating the percentage of completion.

5. Other Significant Accounting Policies

(1) Accounting for retirement benefits
The accounting for unrecognized actuarial gains and losses and unrecognized past service costs pertaining to retirement benefits is different from the accounting for those items in the consolidated financial statements.

(2) Accounting for Consumption Tax etc.
Tax-exclusive method is adopted.

6. Change in Accounting Policies

(1) Application of the Accounting Standard for Business Combinations

The "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Combinations") and "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Divestitures") could be applied from the fiscal year beginning after April 1, 2014. Accordingly, the Company applied these accounting standards from the current fiscal year. Under these accounting standards, the Company recorded the differences caused by changes in our equity shares in subsidiaries in which the Company continue to control as a capital surplus. Regarding business combinations that are conducted after the beginning of the current fiscal year, acquisition costs based on provisional estimates shall be reflected in the non-consolidated financial statements for the fiscal year in which the date of the business combination falls.

In accordance with the transitional treatment based on section 58-2(3) of the Accounting Standard for Business Combinations and section 57-4(3) of the Accounting Standard for Business Divestitures, which stipulates the transitional treatment of the new standards, at the beginning of the current fiscal year, the cumulative effects of the retrospective application of these standards to all past fiscal years were adjusted to other capital surplus and retained earnings.

As a result, at the beginning of the current fiscal year, goodwill decreased by YEN 2,607 million and retained earnings decreased by the same amount. During the current fiscal year, operating profit, ordinary profit and income before income taxes increased by YEN 371 million, respectively.

As a result of reflecting the cumulative effects of the retrospective application of these standards to all past fiscal years to net assets at the beginning of the current fiscal year, the balance of retained earnings at the beginning of the current fiscal year in statements of changes in net assets after the retrospective application decreased by YEN 2,607 million.

(2) Application of the Accounting Standard for Retirement Benefits

From the current fiscal year, section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the "Accounting Standard for Retirement Benefits") and section 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereinafter referred to as the "Guidance on Retirement Benefits") have been applied. Accordingly, the Company reviewed the calculation method of retirement benefit liabilities and service costs and changed the method of the attribution period for the estimated amount of retirement benefits from the straight-line basis to the benefit formula basis, and changed the method of determining the discount rate, regarding the bond interest rate which is the basis of determining the discount rate, from a method using the discount rate based on the average remaining service period of employees to a method using the weighted average discount rate which reflects the estimated number of years of benefit payment and its amount in each year.

In accordance with section 37 in the Accounting Standard for Retirement Benefits, which stipulates the transitional treatment of the new standard, at the beginning of the current fiscal year, the effect of changes in the calculation method for the retirement benefit liabilities and service costs were adjusted to retained earnings.

As a result, at the beginning of the current fiscal year, net defined benefit asset increased by YEN 3,632 million and retained earnings increased by YEN 2,346 million. During the current fiscal year, operating profit, ordinary profit and income before income taxes decreased by YEN 127 million, respectively.

As a result of reflecting the cumulative effects of the retrospective application of these standards to net assets at the beginning of the current fiscal year, the balance of retained earnings at the beginning of the current fiscal year in statements of changes in net assets after the retrospective application increased by YEN 2,346 million.

7. Change in the Presentation Related to Statements of Income
   In the previous fiscal year, “Gain on sales of fixed assets” was included in “other” in extraordinary income. Since the amount of the item exceeds ten one hundredths (10/100) of the total extraordinary income, the item is independently presented in the current fiscal year.
   The amount of "gain on sales of fixed assets" for the previous fiscal year was YEN 20 million.

Notes to the Non-Consolidated Balance Sheet

1. Cash Deposits for Armored Car Services and Short-term Bank Loans

   For financial institutions, the Company provides cash filling to and cash collection from cash dispensers located outside of financial institution facilities.
   The balance of cash deposits for armored car services includes cash on hand and cash in banks of representing a total of YEN 24,495 million connected with cash filling services, which is restricted in use by the Company. The short-term bank loan balance includes YEN 8,963 million financed for the cash filling services.
   The balance of cash deposits for armored car services includes YEN23,900 million connected with cash collection administration services, which is also restricted in use by the Company. Also, the short-term bank loan balance includes YEN 20,453 million financed for the cash collection administration services.

2. Assets Pledged as Collateral and Collateral-related Liabilities

   Assets Pledged as Collateral

	(Millions of Yen)
Short-term loans receivable	13
Investment securities	1,087
Investment securities in subsidiaries and affiliates	45
Long-term loans receivable	739
Total	1,886

   Collateral-related Liabilities -

   Short-term loans receivables, investment securities, investment securities in subsidiaries and affiliates, and long-term loans receivable are pledged as collateral for the debts of subsidiaries and affiliates and other debts.

3. Accumulated Depreciation of Assets
   Accumulated depreciation of tangible assets: YEN 262,640 million

4. Contingent Liabilities

(1) Guarantees

Liabilities of the below entities and employees are guaranteed.

	(Millions of Yen)
Alive Medicare Co., Ltd.	1,269
Takshasila Hospitals Operating Pvt. Ltd.	896
Secom Fort West Co., Ltd.	530
Secom Home Life Co., Ltd.	388
Prime Stage Co., Ltd.	143
Others	6
Employees	205
Purchaser of merchandises by leasing transactions etc.	286
Total	3,727

(2) Net Assets Maintaining Agreement

The Company entered into a net assets maintaining agreement with Secom General Insurance Co., Ltd., under which the Company is obligated to provide funds to Secom General Insurance Co., Ltd. if and when the net assets of Secom General Insurance Co., Ltd. become lower than the specified amount or its current assets necessary for the payment of its liabilities are insufficient. The total liabilities of Secom General Insurance Co., Ltd. at the end of the current fiscal year are YEN 160,805 million, including YEN 153,691 million of investment deposits by policyholders, unearned premiums and other insurance liabilities, and the total assets are YEN 200,169 million.

However, this agreement is not construed as the Company's guarantee with respect to payment obligations of Secom General Insurance Co., Ltd. Secom General Insurance Co., Ltd. maintained net assets above the required level, and its current assets were not insufficient at the end of the current fiscal year.

5. Financial Receivables/Payables to Subsidiaries and Affiliates (excluding those separately presented)

	(Millions of Yen)
Short-term receivables	25,516
Long-term receivables	153,229
Short-term payables	5,710
Long-term payables	1,219

Notes to Non-Consolidated Statement of Income

1. Operating Transactions and Non-operating Transactions with Subsidiaries and Affiliates

	(Millions of Yen)
Operating transactions (Revenue)	17,367
Operating transactions (Expense)	45,315
Non-operating transactions (Income)	10,552

2. Impairment Loss

The Company determines the grouping of assets on the basis of individual assets for idle assets.
The Company impaired the book value of following assets to their recoverable amount and those were recorded as impairment losses under extraordinary loss.

Use	Type	Region	Impairment loss (Millions of Yen)
Idle assets	Buildings, land, etc.	Kanto 93 Other 11	1,424

The net realized value is measured at net selling price and it is determined based on the reasonable estimated price considering trading cases in the neighborhood.

Notes to Non-Consolidated Statements of Changes in Net Assets

Items Related to Classes and Total Number of Treasury Stocks

(Unit: 1 share)

Classes of shares	Number of shares at the beginning of the fiscal year	Increase in number of shares in the fiscal year	Decrease in number of shares in the fiscal year	Number of shares at the end of the fiscal year
Common stock	15,022,012	2,872	72	15,024,812

(Outline of reasons for change)

The increase of 2,872 in the number of common stocks is due to the purchase of shares constituting less than one unit.
The decrease of 72 in the number of common stocks is due to requests to sell such number of shares as will constitute, together with the shares constituting less than one unit of shares already held, one full unit.

Notes to Deferred Tax Accounting

1. The Significant Components of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred tax assets:	(Millions of Yen)
Allowance for doubtful accounts	5,894
Loss on impairment of investment securities in subsidiaries and affiliates	5,179
Accrued bonuses	2,071
Write-down on fixed assets	1,571
Impairment loss	1,471
Accrued pension and severance costs	1,043
Other	4,472
Gross deferred tax assets	21,704
Valuation allowance	(10,776)
Total deferred tax assets	10,927
Deferred tax liabilities:	
Prepaid pension and severance costs	(6,911)
Other	(3,000)
Total deferred tax liabilities	(9,912)
Net deferred tax assets	1,015

2. Summary of the Reconciliation between the Statutory Tax Rate and the Effective Tax Rate after the Application of Deferred Tax Accounting:

Statutory tax rate	35.4 (%)
(Reconciliation)	
Decrease in valuation allowance	(3.5)
Permanently non-taxable income such as dividends income	(3.4)
Per capita levy of corporate inhabitant tax	0.5
Research and development tax credits	(0.4)
Downward adjustment to ending deferred tax assets due to change in the tax rate	0.2
Permanently non-taxable expenses such as entertainment expenses	0.2
Other	(0.5)
Effective tax rate after the application of deferred tax accounting	28.5 (%)

3. Adjustment to the Amount of Deferred Tax Assets and Deferred Tax Liabilities due to a Change in the Corporate Income Tax Rate

In accordance with the promulgation of the "Law for Partial Amendment of the Income Tax Law, Etc.” (2015, Law No. 9) and the “Law for Partial Amendment of the Local Tax Law, Etc.” (2015, Law No. 2) on March 31, 2015, the statutory tax rate, which is used to calculate deferred tax assets and liabilities (however, only for those realized on or after April 1, 2015), has been reduced from 35.4% used in the previous fiscal year to 32.9% and 32.1% for the temporary differences expected to be recovered or paid in the

fiscal year beginning on or after April 1, 2015 and April 1, 2016, respectively.
The effects of this tax rate change on the financial statements are immaterial.

Notes to Fixed Assets under Leases

Besides the ones booked as fixed assets on the balance sheet of the Company, some of buildings and improvements, automobiles and tools, furniture and fixtures are used based on the finance lease contracts other than those deemed to transfer the ownership of the leased assets to the lessees.

Notes to Transactions with Related Parties

Type	Name of Company	Voting Rights Held by the Company (%)	Relationship with the Related Party
Subsidiary	Secom Home Life Co., Ltd.	99.9	Loan of funds Concurrent appointment of officers
Subsidiary	Secom Credit Co., Ltd.	100.0	Loan of funds Concurrent appointment of officers
Subsidiary	Secom Medical System Co., Ltd.	100.0	Loan of funds Concurrent appointment of officers
Subsidiary	Pasco Corporation	72.7	Loan of funds
Subsidiary	Arai & Co., Ltd.	92.5	Loan of funds Concurrent appointment of officers
Subsidiary	At Tokyo Corporation	50.8	Loan of funds Concurrent appointment of officers
Subsidiary	The Windsor Hotels International Co., Ltd.	100.0	Loan of funds Concurrent appointment of officers

Name of Company	Transactions	Amount of Transactions (Millions of Yen)	Account	Year-end Balance (Millions of Yen)
Secom Home Life Co., Ltd.	Execution of loans (Collection of loans) Receipt of interests (Note 2)	32,610 (28,624) 76	Long-term loans receivable (Note 3)	18,923
Secom Credit Co., Ltd.	Execution of loans Receipt of interests (Note 2)	2,200 352	Short-term loans receivable	500
			Long-term loans receivable	24,400
Secom Medical System Co., Ltd.	Execution of loans (Collection of loans) Receipt of interests (Note 2)	11,950 (6,390) 577	Short-term loans receivable	4,211
			Long-term loans receivable	42,230
Pasco Corporation	Execution of loans (Collection of loans) Receipt of interests (Note 2)	11,000 (11,000) 79	Short-term loans receivable	15,000
Arai & Co., Ltd.	Execution of loans (Collection of loans) Receipt of interests (Note 2)	1,000 (551) 293	Short-term loans receivable	400
			Long-term loans receivable	19,649
At Tokyo Corporation	(Collection of loans) Receipt of interests (Note 2)	(5,000) 195	Long-term loans receivable	31,200
The Windsor Hotels International Co., Ltd.	Execution of loans (Collection of loans) Receipt of interests (Note 2)	480 (4) 20	Long-term loans receivable (Note 4)	8,448

(Notes)

1. Consumption taxes are not included in the amounts listed above.
2. The interest rates for the loans above are determined, referring to market interest rates etc.
3. The amount of YEN 6,705 million has been recorded as allowance for doubtful accounts for the long-term loans receivable from Secom Home Life Co., Ltd.
4. The amount of YEN 8,247 million has been recorded as allowance for doubtful accounts for the loans receivable from The Windsor Hotels International Co., Ltd. In the current fiscal year, the Company recognized a provision of allowance for doubtful accounts of YEN 291 million.

Notes to Per-Share Information

Net assets per share:	YEN 2,978.65
Net income per share:	YEN 263.41