

TAIWAN SECOM GROUP

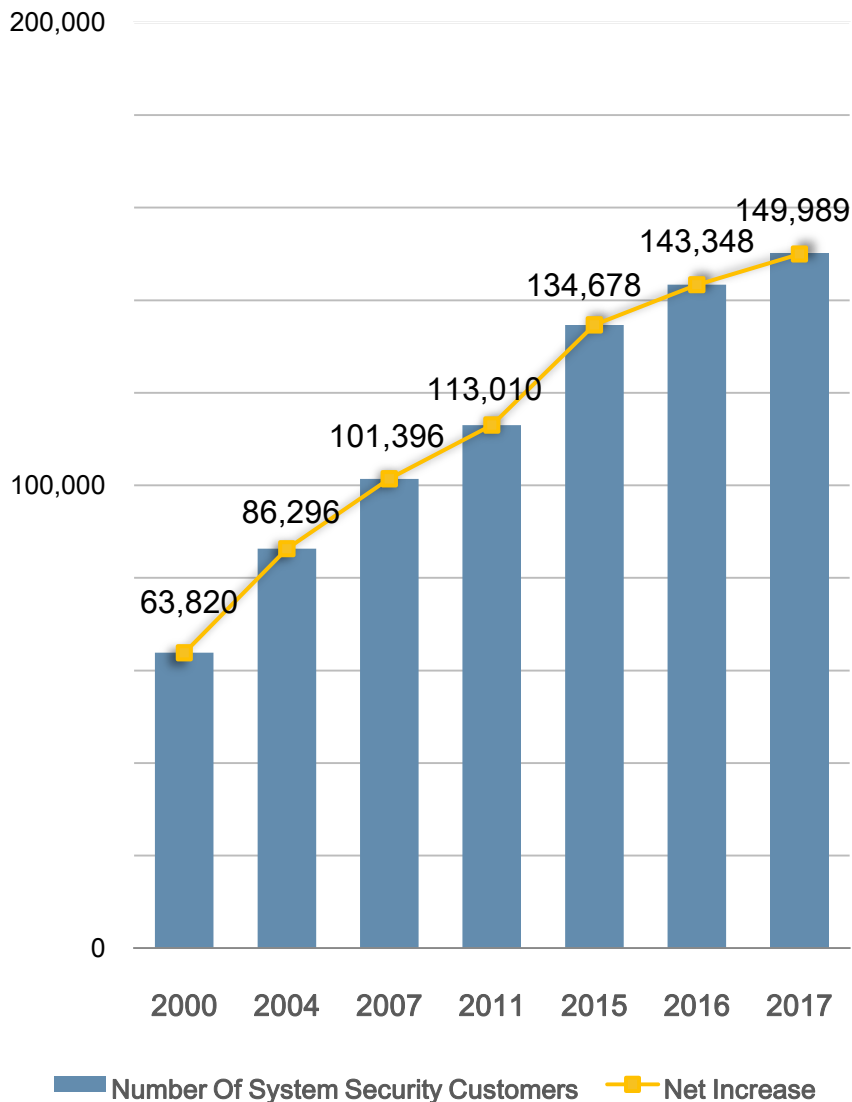




Core Business Values



Customer Base



ASP: Per Customer Per Month

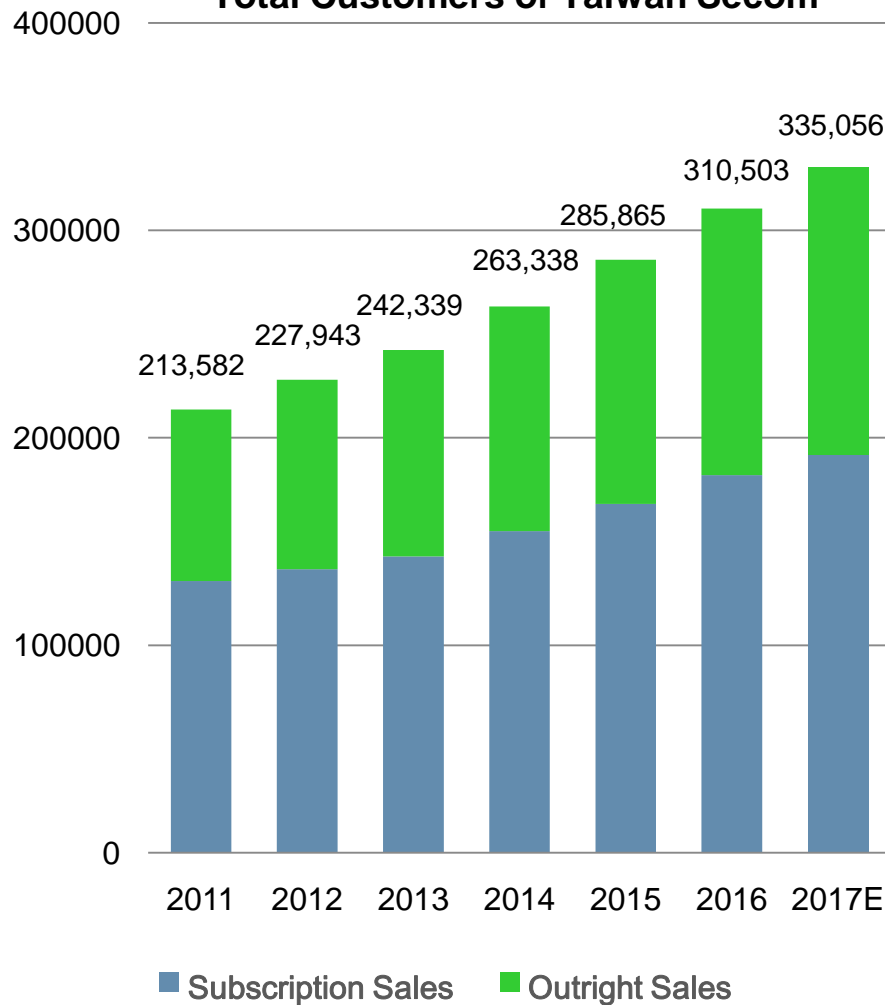
Year	2015	2016	2017
Residential Clients	30,970	33,614	35,633
ASP	2,290	2,228	2,142

Year	2015	2016	2017
Corporate Clients	103,708	109,734	114,356
ASP	3,103	3,003	2,845



Potential Market

Total Customers of Taiwan Secom



Market Penetration Rate

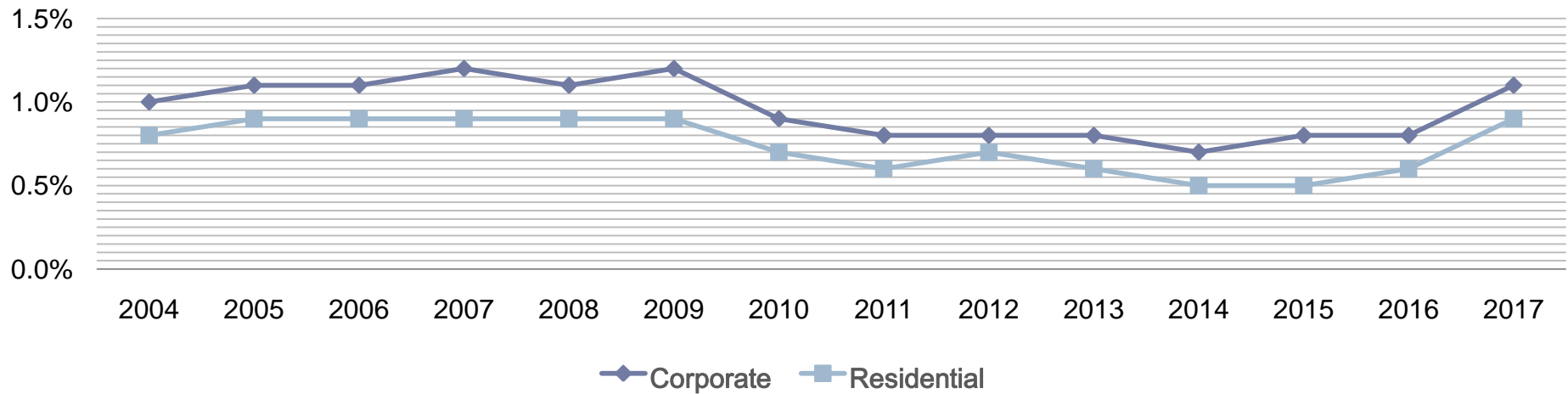
Country	Corporate	Residential
Japan	10 ~15%	4 ~ 5%
Taiwan	10 %	0.7%

Potential Opportunity

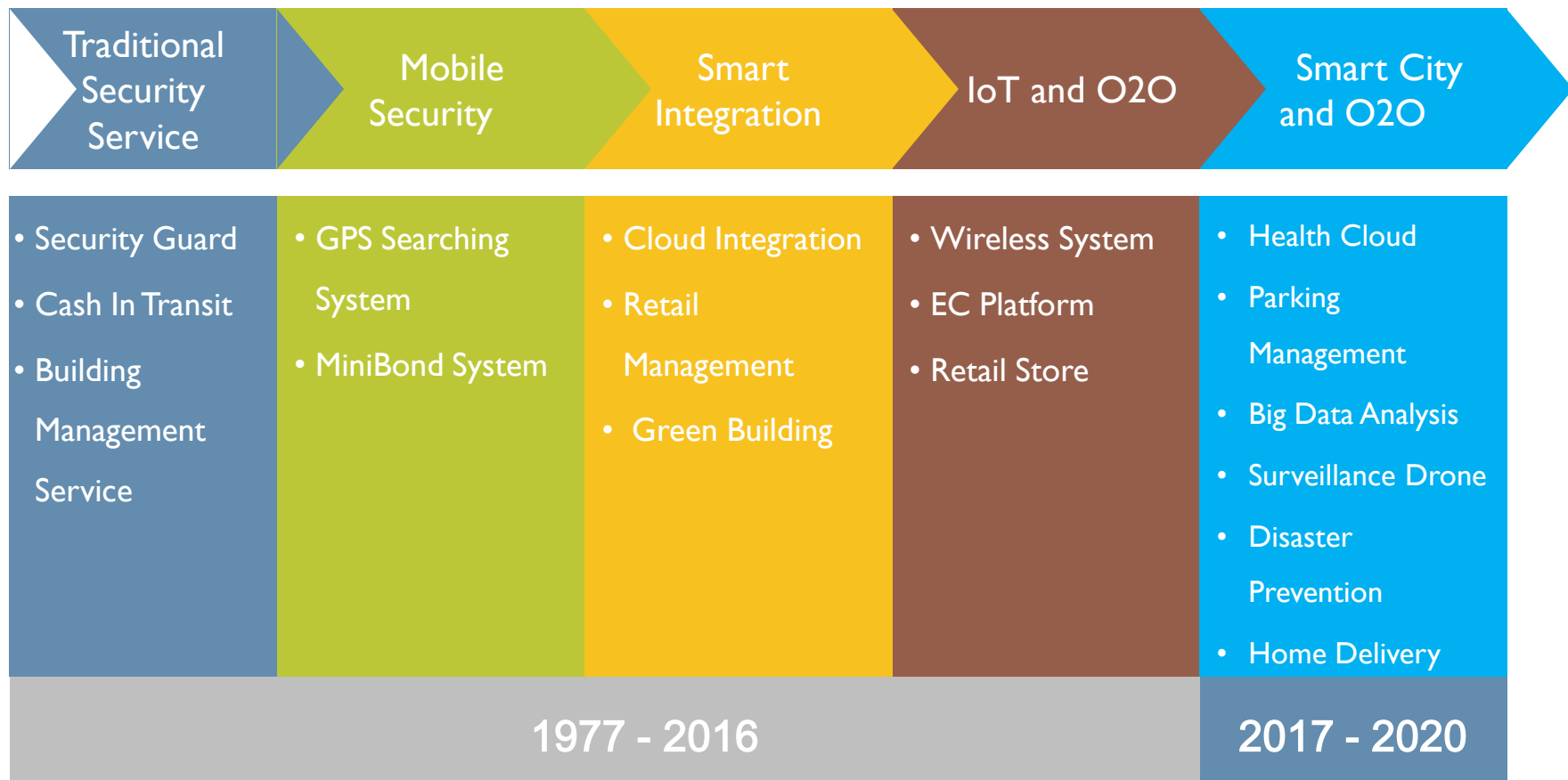
Number of Households In Taiwan	8,600,000
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Customer Satisfaction and Loyalty

Cancellation Rate	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corporate Customers	1.0%	1.1%	1.1%	1.2%	1.1%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%	0.8%	0.8%	1.1%
Residential Customers	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.7%	0.6%	0.7%	0.6%	0.5%	0.5%	0.6%	0.9%



Roadmap of Evolving Services



Status of Competitors

System Integrator

Telecommunication

TAIWAN SECOM

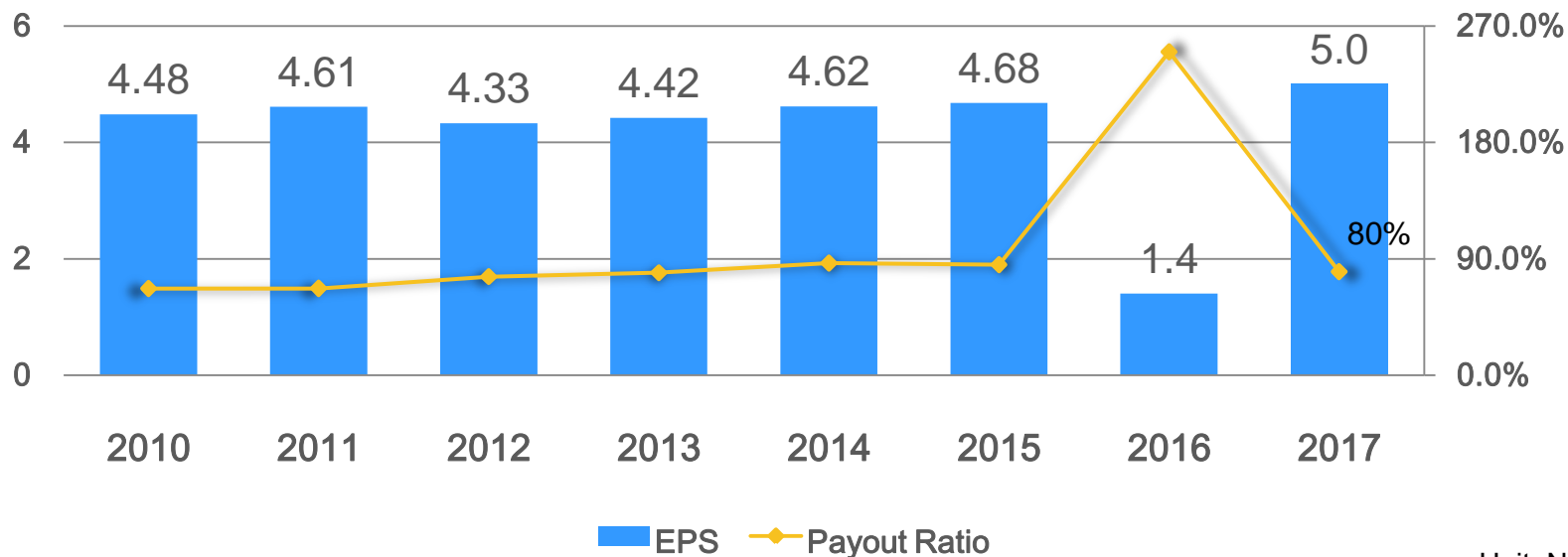
IoT Device Company

Small Security Company



Dividend Policy

Annual	2011	2012	2013	2014	2015	2016	2017	2018
Cash	3.1	3.3	3.4	3.5	4.0	4.0	3.5	4
Stock	0	0	0	0.15	0	0	0	0
Dividend Yield%	5.68	5.35	4.86	4.6	4.41	4.37	3.91	4.41



Unit: NTD, %

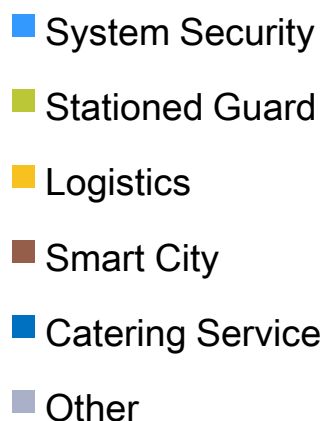
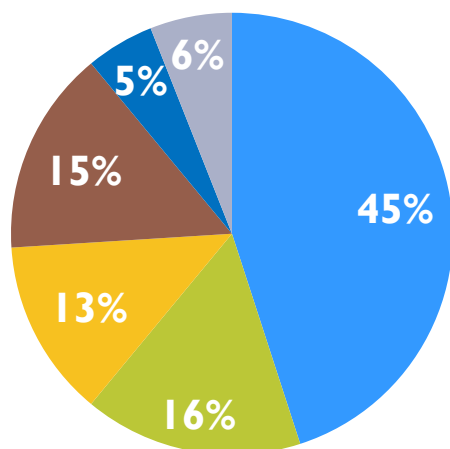
Segment revenues of Taiwan Secom in 2017

Name	Nature of Business	Shareholding Ratio	Revenue Ratio	Gross Margin	Operating Profit Margin
Taiwan Secom Co., Ltd.	System Security Service		51.62%	49.75%	21.92%
Lee Bao Security Co., Ltd.	Cash in transit and ATM Services	100.00%	5.45%	39.58%	20.40%
Kuo Hsing Security Co., Ltd.	Buildings Security Guarding Service	86.15%	9.05%	19.66%	9.99%
Goyun Securty Co., Ltd.	Buildings Security Guarding Service	100.00%	4.86%	24.42%	13.09%
Lee Way Electronics Co., Ltd.	Police-citizen connection and AED Rental Services	92.68%	1.24%	38.82%	15.93%
Gowin Building Management Services Co., Ltd.	Building and Parking Management Services	100.00%	7.46%	18.00%	11.15%
Comlink Fire Systems Co., Ltd.	Fire Systems	100.00%	1.06%	31.61%	16.34%
Zhong Bao Disaster Protection Co., Ltd.	Disaster Protection Technology	95.38%	0.42%	30.49%	11.70%
Total	Core Business		81.16%		
Consolidated			100%		

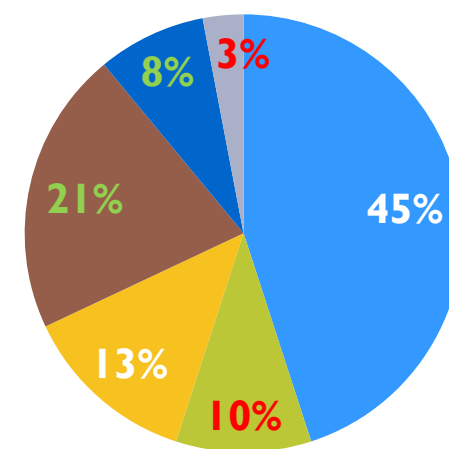
Segment revenues of Taiwan Secom in 2017

Name	Nature of Business	Shareholding Ratio	Revenue Ratio	Gross Margin	Operating Profit Margin
Goldsun Express & Logistics Co., Ltd.	Logistics Service	100.00%	7.50%	8.03%	5.12%
TransAsia Catering Services Ltd.	Catering Service	90.02%	4.14%	17.18%	2.17%
Others	Other Services		7.20%		
Related Group Business Total			18.84%		

2017

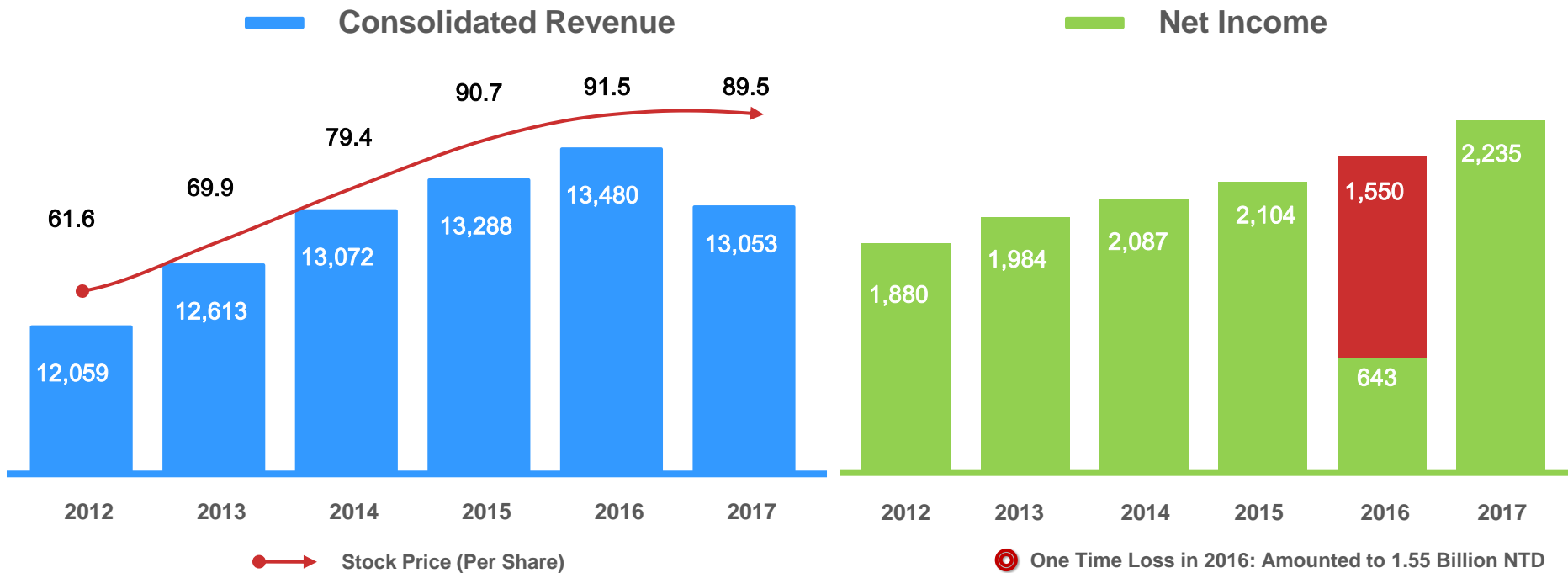


2020



Financial Performance

Unit: Million NTD



Consolidated Income Statement 2015 - 2018

Unit: Million NTD

	Taiwan Secom					SKS
	2015	2016	2017	2017Q1	2018Q1	2018Q1
Consolidated Revenue	13,288	13,480	13,055	3,229	3,276	1,729
YoY Change	+1.66%	+1.45%	-3.16%	+0.6%	+1.45%	-2.42%
Gross Margin	4,785	4,982	4,648	1,193	1,207	576
% Gross Margin Ratio	36.01%	36.96%	35.61%	36.96%	36.86%	33.30%
Operating Expense						
Selling Expense	974	898	834	232	205	56
Admin. Expense	1,276	1,352	1,499	445	356	319
R&D. Expense	124	104	93	23	26	11
Expected Credit Losses	-	-	-	-	3	0.035
Total Expense	2,374	2,353	2,426	700	590	386
% of Total Revenue	17.86%	17.46%	18.59%	21.69%	18.00%	22.30%
Operating Profit	2,411	2,629	2,222	493	618	190
% of Total Revenue	18.14%	19.50%	17.02%	15.27%	18.86%	11.00%
EBITDA	3,533	3,819	3,453	798	918	322
% of Total Revenue	26.59%	28.33%	26.45%	24.73%	28.09%	18.64%
Depreciation & Amortization	1,122	1,190	1,231	305	302	132

Consolidated Financial Summary 2015 - 2018

Unit: Million NTD

	Yearly Results			YTD Results	
	2015	2016	2017	2017Q1	2018Q1
Cash and cash equivalents	3,963	4,841	5,290	4,776	5,665
Total assets	20,272	20,243	20,924	20,523	21,310
Short-term loans	2,906	2,835	2,204	2,505	2,603
Long-term loans	42	888	1,034	862	508
Total liabilities	9,173	10,308	10,369	9,880	10,219
Total equity	11,099	9,934	10,554	10,643	11,091
Capital expenditure	2,118	1,013	1,296	239	214
Operating expense	2,374	2,353	2,426	700	590

TAIWAN SECOM GROUP

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