

**CONSOLIDATED QUARTERLY FINANCIAL REPORT
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004**

February 9, 2005

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Osaka Stock Exchange ----- First Section
 Corporate headquarters: Tokyo, Japan
 Representative: Shohei Kimura, Representative Director / President
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1. Basis of the quarterly financial report

1. Adoption of simplified procedure in accounting processing: None
2. Change in accounting policy from the last fiscal year: None
3. Change in the scope of consolidation: Yes

Number of consolidated subsidiaries: Additions = 7, Deletions = 3

Number of affiliated companies: Deletions = 6

2. Summary of the consolidated financial statements for the 3rd quarter of the fiscal year ended March 31, 2005 (April 1, 2004 – December 31, 2004)

(1) Consolidated operating results (Figures rounded down to the nearest million)

	Nine months ended December 31		Year ended March 31
	2003	2004	2004
Revenue	JPY 375,976 million	JPY 381,561 million	JPY 527,409 million
% change from the previous year	---%	1.5%	
Operating income	JPY 56,132 million	JPY 54,491 million	JPY 81,286 million
% change from the previous year	---%	(2.9)%	
Ordinary income	JPY 52,755 million	JPY 54,905 million	JPY 76,243 million
% change from the previous year	---%	4.1%	
Net income	JPY 40,567 million	JPY 34,181 million	JPY 41,111 million
% change from the previous year	---%	(15.7)%	
Basic net income per share	JPY 180.24	JPY 151.89	JPY 181.40
Diluted net income per share	JPY 180.24	JPY 151.89	JPY 181.40

(2) Consolidated financial conditions (Figures rounded down to the nearest million)

	December 31, 2003	December 31, 2004	March 31, 2004
Total assets	JPY 1,085,968 million	JPY 1,104,760 million	JPY 1,092,067 million
Shareholders' equity	JPY 402,193 million	JPY 427,489 million	JPY 403,257 million
Shareholders' equity / Total assets	37.0%	38.7%	36.9%
Shareholders' equity per share	JPY 1,787.05	JPY 1,899.67	JPY 1,790.58

(3) Consolidated cash flows (Figures rounded down to the nearest million)

	Nine months ended December 31		Year ended March 31
	2003	2004	2004
Cash flows from operating activities	JPY 46,600 million	JPY 38,573 million	JPY 87,939 million
Cash flows from investing activities	JPY (37,665) million	JPY (63,297) million	JPY (34,386) million
Cash flows from financing activities	JPY (12,948) million	JPY (18,683) million	JPY (36,211) million
Cash and cash equivalents at end of the period	JPY 165,700 million	JPY 143,865 million	JPY 187,199 million

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2005. (April 1, 2004 – March 31, 2005)

	Year ending March 31, 2005
Revenue	JPY 553,800 million
Ordinary income	JPY 82,300 million
Net income	JPY 45,400 million

Note: Expected basic net income per share (for the full year): JPY 200.70

*Forecast statements above include estimates based on current plans, assumptions and prospects and may differ from actual performance because of risks and uncertainties.

Consolidated Balance Sheets								(In millions of yen)	
	December 31, 2003		December 31, 2004		Amount change from the previous year	March 31, 2004			
	Amount	% of total assets	Amount	% of total assets		Amount	% of total assets		
ASSETS:									
Current assets:	432,778	39.9%	476,687	43.2%	43,908	478,668	43.8%		
Cash on hand and in banks	220,130		218,030		(2,099)	202,630			
Call loan	-		-		-	38,000			
Notes and accounts receivable, trade	30,965		35,356		4,391	46,813			
Due from subscribers	17,825		17,864		38	17,561			
Marketable securities	43,044		63,428		20,383	47,343			
Inventories	48,023		56,711		8,688	45,477			
Deferred income taxes	7,373		9,254		1,880	9,768			
Short-term loans receivable	51,744		59,602		7,858	58,793			
Other current assets	15,084		19,006		3,922	17,205			
Allowance for doubtful accounts	(1,413)		(2,568)		(1,154)	(4,925)			
Fixed assets:	652,975	60.1%	627,960	56.8%	(25,014)	613,211	56.2%		
Tangible assets:	263,499	24.3%	255,396	23.1%	(8,102)	243,945	22.3%		
Buildings and improvements	89,915		81,701		(8,213)	79,072			
Security equipment and control stations	65,846		66,086		240	65,315			
Land	89,528		87,275		(2,252)	80,507			
Other tangible assets	18,209		20,332		2,122	19,050			
Intangible assets	32,713	2.9%	32,514	2.9%	(198)	33,820	3.2%		
Investments and others:	356,762	32.9%	340,049	30.8%	(16,712)	335,445	30.7%		
Investment securities	197,526		233,837		36,311	207,654			
Long-term loans receivable	94,632		44,624		(50,007)	63,799			
Deferred income taxes	21,211		25,082		3,870	22,523			
Other investments	51,471		52,516		1,044	55,528			
Allowance for doubtful accounts	(8,079)		(16,011)		(7,931)	(14,060)			
Deferred assets:	214	0.0%	112	0.0%	(101)	187	0.0%		
Total assets	1,085,968	100.0%	1,104,760	100.0%	18,791	1,092,067	100.0%		
Consolidated Balance Sheets (Contd.)								(In millions of yen)	
	December 31, 2003		December 31, 2004		Amount change from the previous year	March 31, 2004			
	Amount	% of total assets	Amount	% of total assets		Amount	% of total assets		
LIABILITIES:									
Current liabilities:	253,040	23.3%	253,258	22.9%	217	261,181	23.9%		
Notes and accounts payable, trade	12,861		14,752		1,890	18,460			
Bank loans	136,219		115,736		(20,482)	119,344			
Payables - other	19,733		18,045		(1,687)	17,743			
Income taxes payable	8,404		9,276		872	17,083			
Consumption taxes payable	3,260		2,972		(287)	3,792			
Accrued expenses	1,907		2,246		339	2,304			
Deferred revenue - service charges	30,266		32,162		1,895	28,459			
Accrued bonus	2,483		2,618		135	8,490			
Other current liabilities	37,904		55,445		17,541	45,501			
Fixed liabilities:	401,239	37.0%	393,515	35.6%	(7,724)	397,858	36.5%		
Straight bonds	31,800		34,000		2,200	32,800			
Long-term loans	44,653		38,562		(6,091)	43,530			
Guarantee deposits received from subscribers	29,130		29,329		199	29,160			
Accrued pension and severance costs	15,660		11,875		(3,785)	12,899			
Investment deposits by policyholders, unearned premiums and other insurance liabilities	275,490		277,691		2,200	276,979			
Other fixed liabilities	4,504		2,057		(2,447)	2,488			
Total liabilities	654,280	60.3%	646,774	58.5%	(7,506)	659,040	60.4%		
Minority shareholders' interest in subsidiaries:	29,494	2.7%	30,496	2.8%	1,001	29,770	2.7%		
SHAREHOLDERS' EQUITY:									
Common stock	66,368	6.1%	66,377	6.0%	9	66,368	6.1%		
Capital surplus	82,544	7.6%	82,553	7.5%	8	82,544	7.6%		
Earned surplus	307,724	28.3%	332,100	30.1%	24,375	308,268	28.1%		
Net unrealized gain in debt and equity securities	4,403	0.4%	6,058	0.5%	1,655	6,079	0.6%		
Foreign currency translation adjustments	(14,477)	(1.3%)	(15,088)	(1.4%)	(610)	(15,603)	(1.4%)		
Common stock in treasury, at cost	(44,370)	(4.1%)	(44,513)	(4.0%)	(142)	(44,400)	(4.1%)		
Total shareholders' equity	402,193	37.0%	427,489	38.7%	25,296	403,257	36.9%		
Total liabilities, minority shareholders' interest in subsidiaries and shareholders' equity	1,085,968	100.0%	1,104,760	100.0%	18,791	1,092,067	100.0%		

Consolidated Statements of Income							(In millions of yen)	
	Nine months ended December 31, 2003		Nine months ended December 31, 2004		Change from the previous year		Year ended March 31, 2004	
	Amount	% of revenue	Amount	% of revenue	Amount	% change	Amount	% of revenue
Revenue	375,976	100.0%	381,561	100.0%	5,584	1.5%	527,409	100.0%
Costs of revenue	229,779	61.1%	235,359	61.7%	5,579	2.4%	324,759	61.6%
Gross profit	146,196	38.9%	146,201	38.3%	5	0.0%	202,650	38.4%
Selling, general and administrative expenses	90,063	24.0%	91,710	24.0%	1,646	1.8%	121,363	23.0%
Operating income	56,132	14.9%	54,491	14.3%	(1,641)	(2.9%)	81,286	15.4%
Non-operating income	4,676	1.2%	7,793	2.0%	3,117	66.7%	7,798	1.5%
Non-operating expenses	8,053	2.1%	7,379	1.9%	(673)	(8.4%)	12,841	2.4%
Ordinary income	52,755	14.0%	54,905	14.4%	2,149	4.1%	76,243	14.5%
Extraordinary income	28,334	7.6%	1,143	0.3%	(27,190)	(96.0%)	31,860	6.0%
Extraordinary losses	2,670	0.7%	939	0.3%	(1,730)	(64.8%)	24,892	4.7%
Income before income taxes	78,419	20.9%	55,109	14.4%	(23,310)	(29.7%)	83,211	15.8%
Income taxes - current	21,722	5.8%	21,377	5.5%	(344)	(1.6%)	30,962	5.9%
Income taxes - deferred	14,166	3.8%	(2,093)	(0.5%)	(16,259)	(114.8%)	8,985	1.7%
Minority interest in consolidated subsidiaries	1,963	0.5%	1,642	0.4%	(321)	(16.4%)	2,152	0.4%
Net income	40,567	10.8%	34,181	9.0%	(6,385)	(15.7%)	41,111	7.8%

Consolidated Statements of Cash Flows			(In millions of yen)
	Nine months ended December 31, 2003	Nine months ended December 31, 2004	Year ended March 31, 2004
Cash flows from operating activities:			
Income before income taxes	78,419	55,109	83,211
Depreciation	26,894	26,050	37,498
Increase (decrease) in allowance for doubtful accounts	(85)	(412)	9,328
Increase (decrease) in accrued pension and severance costs	(29,552)	(1,030)	(32,314)
Interest and dividend income	(7,052)	(6,720)	(9,848)
Interest expenses	1,937	1,600	2,486
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	20,085	11,769	5,435
(Increase) decrease in inventories	(7,196)	(11,127)	(5,392)
Increase (decrease) in accounts payable	(2,608)	(3,792)	493
Increase in investment deposit by policyholders, unearned premiums and other insurance liabilities	1,014	711	2,503
Other	(16,836)	(9,031)	10,672
Subtotal	65,019	63,127	104,073
Interest and dividend received	7,556	7,261	10,930
Interest paid	(1,954)	(1,651)	(2,496)
Income taxes paid	(24,021)	(30,163)	(24,567)
Net cash provided by operating activities	46,600	38,573	87,939
Cash flows from investing activities:			
(Increase) decrease in marketable securities	3,717	(21,881)	7,603
Payments for purchases of tangible assets	(30,329)	(37,010)	(39,511)
Payments for investments in securities	(34,432)	(62,495)	(62,201)
Proceeds from sales of investment in securities	22,226	40,854	32,958
(Increase) decrease in short-term loans receivable	(2,358)	(5,692)	(4,541)
Payments for long-term loans receivable	(12,872)	(15,103)	(15,529)
Proceeds from long-term loans receivable	18,175	38,827	46,985
Other	(1,791)	(796)	(150)
Net cash used in investing activities	(37,665)	(63,297)	(34,386)
Cash flows from financing activities:			
Increase (decrease) in bank loans	1,599	(4,091)	(17,437)
Proceeds from long-term loans	4,301	702	9,545
Repayments of long-term loans	(8,830)	(5,443)	(19,243)
Dividends paid	(9,003)	(10,127)	(9,003)
Dividends paid for minority shareholders	(765)	(875)	(765)
Other	(250)	1,152	693
Net cash provided by (used in) financing activities	(12,948)	(18,683)	(36,211)
Effect of exchange rate changes on cash and cash equivalents	(318)	72	(175)
Net increase (decrease) in cash and cash equivalents	(4,332)	(43,334)	17,166
Cash and cash equivalents at beginning of the period	170,033	187,199	170,033
Cash and cash equivalents at end of the period	165,700	143,865	187,199

Segment Information

								(In millions of yen)
	Nine months ended December 31, 2003							
	Security services	Medical services	Insurance services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated	
Revenue:								
Customers	270,310	15,813	21,340	68,511	375,976	-	375,976	
Intersegment	3,367	158	2,163	2,284	7,973	(7,973)	-	
Sub total	273,677	15,972	23,503	70,795	383,949	(7,973)	375,976	
Operating costs and expenses	205,932	15,288	22,436	74,276	317,933	1,910	319,843	
Operating income (loss)	67,745	683	1,067	(3,480)	66,016	(9,884)	56,132	
								(In millions of yen)
	Nine months ended December 31, 2004							
	Security services	Medical services	Insurance services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated	
Revenue:								
Customers	278,270	18,300	22,363	62,625	381,561	-	381,561	
Intersegment	5,054	161	2,434	3,796	11,446	(11,446)	-	
Sub total	283,324	18,462	24,798	66,422	393,007	(11,446)	381,561	
Operating costs and expenses	212,985	17,877	27,171	69,953	327,987	(917)	327,069	
Operating income (loss)	70,339	585	(2,373)	(3,530)	65,019	(10,528)	54,491	
								(In millions of yen)
	Year ended March 31, 2004							
	Security services	Medical services	Insurance services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated	
Revenue:								
Customers	366,040	21,939	28,983	110,446	527,409	-	527,409	
Intersegment	4,498	193	2,888	3,722	11,304	(11,304)	-	
Sub total	370,539	22,132	31,872	114,169	538,714	(11,304)	527,409	
Operating costs and expenses	278,457	21,080	30,624	114,450	444,613	1,510	446,123	
Operating income (loss)	92,082	1,052	1,247	(281)	94,100	(12,814)	81,286	