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QUARTERLY FINANCIAL REPORT FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2012

(Based on JAPANESE GAAP) (Consolidated)

August 9, 2012

Company name: SECOM CO., LTD. (URL: <http://www.secom.co.jp/>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Osaka Securities Exchange ----- First Section
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 Scheduled date of filing Quarterly Securities Report: August 14, 2012
 Scheduled date of dividend payout: -
 Preparation of quarterly supplementary materials: None
 Holding of quarterly results information meeting: None

1. Consolidated financial results for the three-month period ended June 30, 2012 (April 1, 2012–June 30, 2012)

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

	Three-month Period Ended June 30	
	2011	2012
Revenue	153,800 1.0%	166,420 8.2%
Operating profit	22,782 0.1%	23,293 2.2%
Ordinary profit	24,096 (0.5%)	25,534 6.0%
Net income	13,089 (0.6%)	15,275 16.7%
Basic net income per share (in yen)	60.04	69.98
Diluted net income per share (in yen)	-	-

Note 1: Comprehensive income:

Three-month period ended June 30, 2012: JPY 17,427 million (10.2%)

Three-month period ended June 30, 2011: JPY 15,812 million (20.7%)

Note 2: There is no diluted net income per share as there are no shares with dilutive effect.

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

(2) Consolidated financial position (In millions of yen, figures rounded down)

	March 31, 2012	June 30, 2012
Total assets	1,101,884	1,086,725
Net assets	671,517	668,268
Equity ratio	55.2%	55.7%
Net assets per share (in yen)	2,785.56	2,771.33

Note 1: Equity as of:

March 31, 2012: JPY 608,008 million June 30, 2012: JPY 604,902 million

Note 2: Equity is calculated by deducting minority interests in subsidiaries from net assets. Net assets per share is calculated by dividing equity by the number of common shares outstanding, excluding treasury stock, as of each period-end.

2. Dividends

	Years ended March 31		
	2012	2013	2013 (projected)
1 st quarter dividends per share (in yen)	–	–	–
2 nd quarter dividends per share (in yen)	–	–	–
3 rd quarter dividends per share (in yen)	–	–	–
Year-end dividends per share (in yen)	90.00	–	100.00
Annual dividends per share (in yen)	90.00	–	100.00

Note: Revision of projected dividends from that most recently disclosed: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2013 (April 1, 2012 – March 31, 2013) and the six-month period ending September 30, 2012 (April 1, 2012 – September 30, 2012)

(In millions of yen)

	Six-month period ending September 30, 2012	Year ending March 31, 2013
Projected revenue	357,400 12.0%	738,900 8.8%
Projected operating profit	49,100 0.4%	103,100 27.2%
Projected ordinary profit	52,000 0.6%	106,000 20.7%
Projected net income	31,600 12.9%	62,200 75.3%
Projected basic net income per share (in yen)	144.77	284.97

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, 2013 and the six-month period ending September 30, 2012 are calculated based on the number of average common shares outstanding over the three-month period ended June 30, 2012, assuming that it remains the same until March 31, 2013 and September 30, 2012, respectively.

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

Note

1. Significant changes in subsidiaries during the three-month period ended June 30, 2012 (changes in specified subsidiaries accompanied with changes in scope of consolidation): None
2. Adoption of unique accounting treatment for preparation of consolidated quarterly financial statements: None
3. Changes in accounting policies, accounting estimates and/or restatements:
Changes in accounting policies associated with amendment of accounting standards: None

Other changes in accounting policies: None

Changes in accounting estimates: None

Restatements: None

4. Number of common shares outstanding :

Number of common shares outstanding, including treasury stock, as of:

June 30, 2012: 233,288,717 shares March 31, 2012: 233,288,717 shares

Number of shares of treasury stock, as of:

June 30, 2012: 15,017,675 shares March 31, 2012: 15,017,691 shares

Number of average common shares outstanding over:

The three-month period ended June 30, 2012: 218,271,037 shares

The three-month period ended June 30, 2011: 218,030,062 shares

Note on status of quarterly review procedures

This report is excluded from the scope of quarterly review procedures pursuant to the Financial Instruments and Exchange Act. Review procedures for quarterly financial statements have not been completed at the time of disclosure of this report.

Note on appropriate use of projections for the financial results; other special items

The forward-looking statements including the future performance described in this document are provided based on both all information available at this moment and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred. For matters regarding assumptions on financial projections and notes for the use of financial projections, please refer to “1. Qualitative Information Regarding the Three-month Period Ended June 30, 2012 (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, 2012

(1) Qualitative Information Regarding Consolidated Financial Results

During the three-month period ended June 30, 2012, while Japanese economy was gradually on a recovering trend led by demand for reconstruction, etc., the situation of Japanese economy remained unpredictable due to the effect of deflation and European debt problems, as well as concerns about a downward swing of global economy.

In this environment, we have been continuously trying to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind, with the aim of realizing our vision for the future, “Social System Industry,” a society where everyone can live safe and secure anytime and anywhere. To this end, we have made efforts to develop and provide high-quality products and services suited to customer needs in our security services segment, as well as in our fire protection services, medical services, insurance services, geographic information services, real estate development and sales, and information and communication related and other services segments. We also pressed forward with efforts to apply the ALL SECOM concept, which emphasizes cooperation among our various independent businesses to strengthen the bond of the Group as a whole with a view to hastening our advance to growth.

Due to contribution by Nittan Co., Ltd., a subsidiary newly consolidated in April 2012, consolidated revenue for the three-month period ended June 30, 2012 increased by 8.2% to 166.4 billion yen, compared to the previous corresponding period. Consolidated operating profit, consolidated ordinary profit, and consolidated net income increased by 2.2% to 23.2 billion yen, by 6.0% to 25.5 billion yen, and by 16.7% to 15.2 billion yen, respectively. Consolidated revenue, consolidated ordinary profit and consolidated net income have reached a record-high..

Segment information is as follows.

In the security services segment, revenue increased by 3.6% to 105.0 billion yen and operating profit went up by 4.1% to 25.4 billion yen, mainly due to the enhancement of sales of on-line commercial and home security systems, security products including CCTV surveillance systems, and security systems for rental housing.

In the fire protection services segment, revenue increased by 56.1% to 21.9 billion yen, as a result of the contribution by Nittan Co., Ltd., a newly consolidated subsidiary, and the efforts of proactive business activities in order to meet market needs, despite the severe business environment. However, operating loss was 0.3 billion yen, from an operating loss of 57 million yen in the previous corresponding period, due to intensifying competition in the market. Revenue tends to increase toward the end of the period, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue decreased by 1.1% to 10.1 billion yen, due to the decrease in revenue of home medical services affected by the revision of drug prices. Operating profit increased by 44.5% to 1.0 billion yen, owing to reduction in cost ratio and decrease in selling, general and administrative expenses including amortization of goodwill, which was fully amortized by the previous period.

In the insurance services segment, revenue decreased by 0.8% to 8.8 billion yen. This result reflected revenue decline due to the decrease of net investment gains despite firm increase in sales of MEDCOM, an unrestricted cancer treatment policy, and fire insurance policy provided by Secom General Insurance Co., Ltd. Operating profit went down by 80.7% to 0.1 billion yen, compared to the previous corresponding period, owing to the increase in net claims paid due to damage of a rainstorm and a typhoon in April and June 2012, respectively.

In the geographic information services segment, revenue advanced 6.4% to 10.5 billion yen, reflecting the progress of projects to national and local governments and increase in revenue in international division. Operating loss was 0.2 billion yen, from an operating loss of 0.1 billion yen in the previous corresponding period, due to the increase in expenses for expanding sales activities and development of information management systems. Revenue tends to increase toward the end of the period, due to the concentration of deliveries of public-sector contracts, which is the primary market for this segment.

In the real estate development and sales segment, revenue increased by 7.5% to 1.4 billion yen and operating profit was 63 million yen, improving from operating loss of 0.1 billion yen in the previous corresponding period, which were attributable to the efforts to focus on sales and delivery of inventories on hand, while there was no newly completed projects in the current period.

In the information and communication related and other services segment, revenue increased by 6.6% to 8.4 billion yen and operating profit went up by 79.1% to 1.1 billion yen, owing to increase in sales from information and communication related services, such as those arising from the Secure Data Center, and reduction of cost ratio, etc.

(2) Qualitative Information Regarding Consolidated Financial Position

(i) Consolidated Balance Sheets

Total assets as of June 30, 2012 amounted to 1,086.7 billion yen, 1.4% or 15.1 billion yen lower than that at the end of the previous fiscal year. Total current assets, at 486.9 billion yen, were down 3.3% or 16.5 billion yen. This was largely attributable to decreases in notes and accounts receivable, trade by 26.8% or 23.0 billion yen to 62.7 billion yen, and cash and cash equivalents by 8.5% or 15.4 billion yen to 166.9 billion yen, despite the increases in call loans by 48.2% or 13.5 billion yen to 41.5 billion yen, and short-term investments by 15.1% or 3.0 billion yen to 22.9 billion yen. Total fixed assets, at 599.7 billion yen, were up 0.2% or 1.4 billion yen. This was mainly attributable to increases in tangible assets by 3.1% or 9.0 billion yen to 299.8 billion yen, deferred tax assets by 11.2% or 1.6 billion yen to 16.4 billion yen, and intangible assets by 5.6% or 1.3 billion yen to 26.4 billion yen, despite the decrease in investment securities by 6.2% or 10.9 billion yen to 166.6 billion yen.

Total liabilities amounted to 418.4 billion yen, 2.8% or 11.9 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 200.1 billion yen, down 7.2% or 15.6 billion yen, owing to decreases in accrued income taxes by 53.4% or 7.8 billion yen to 6.8 billion yen, bank loans by 15.1% or 7.2 billion yen to 40.7 billion yen, accrued bonuses by 35.5% or 4.5 billion yen to 8.2 billion yen, and other payables by 13.6% or 3.7 billion yen to 23.8 billion yen, despite the increase in other current liabilities, including deposits received by 10.6% or 3.8 billion yen to 39.8 billion yen.

Long-term liabilities increased by 1.7% or 3.6 billion yen to 218.2 billion yen, compared to that at the end of the previous fiscal year. This was mainly attributable to the increase in accrued pension and severance costs by 29.1% or 3.6 billion yen to 16.2 billion yen.

Total net assets amounted to 668.2 billion yen, 0.5% or 3.2 billion yen lower than that at the end of the previous fiscal year, due to decreases in retained earnings by 0.8% or 4.3 billion yen, resulting from payment of dividends, and unrealized gains on securities by 65.6% or 2.9 billion yen, despite the decrease of losses in foreign currency translation adjustments by 11.3% or 4.2 billion yen.

(3) Qualitative Information Regarding Consolidated Financial Projections

The financial results for the three-month period ended June 30, 2012 were generally within our projections, despite the continuous severe economic conditions.

Accordingly, projections for the consolidated financial results for the six-month period ending September 30, 2012 and the fiscal year ending March 31, 2013 have not been changed from those disclosed on May 10, 2012.

Furthermore, the financial projections included in this document are based on the information available at the time of the announcement and actual results may differ from the projection due to various factors hereafter occurred.

2. Items Regarding the Summary Information (Other)

(1) Significant Changes in Subsidiaries in the Three-month Period Ended June 30, 2012

Not applicable.

(2) Adoption of Unique Accounting Treatment for Preparation of Consolidated Quarterly Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Accounting Estimates and/or Restatements

Not applicable.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2012	June 30, 2012
ASSETS:		
Current assets:	503,479	486,912
Cash on hand and in banks	182,412	166,912
Cash deposits for armored car services	54,011	54,270
Call loans	28,000	41,500
Notes and accounts receivable, trade	85,744	62,744
Due from subscribers	24,830	23,925
Short-term investments	19,936	22,952
Lease receivables and investment in leased assets	14,605	14,819
Merchandises and products	9,597	12,478
Real estate inventories	9,082	7,906
Work in process	2,527	3,324
Costs on uncompleted construction contracts	5,671	8,067
Work in process for real estate inventories	33,276	33,290
Raw materials and supplies	5,950	7,114
Deferred income taxes	11,383	9,396
Short-term loans receivable	4,389	3,649
Other	13,489	16,079
Allowance for doubtful accounts	(1,428)	(1,521)
Fixed assets:	598,359	599,784
Tangible assets:	290,747	299,827
Buildings and improvements, net	97,955	98,977
Security equipment and control stations, net	66,900	68,315
Land	104,426	108,968
Other, net	21,464	23,566
Intangible assets	25,043	26,433
Investments and others:	282,568	273,523
Investment securities	177,655	166,694
Long-term loans receivable	46,197	45,379
Prepaid pension and severance costs	19,130	19,250
Deferred income taxes	14,793	16,455
Other	42,376	43,344
Allowance for doubtful accounts	(17,584)	(17,600)
Deferred assets	45	28
Total assets	1,101,884	1,086,725

(1) Consolidated Balance Sheets (Continued)

(In millions of yen)

	March 31, 2012	June 30, 2012
LIABILITIES:		
Current liabilities:	215,780	200,171
Notes and accounts payable, trade	30,731	29,575
Bank loans	47,985	40,751
Current portion of straight bonds	5,983	7,633
Lease obligations	354	503
Payables - other	27,627	23,868
Accrued income taxes	14,688	6,844
Accrued consumption taxes	3,833	3,744
Accrued expenses	4,169	5,250
Deferred revenue	30,834	32,690
Accrued bonuses	12,739	8,223
Reserve for losses on construction contracts	834	1,255
Other	35,997	39,830
Long-term liabilities:	214,586	218,285
Straight bonds	9,625	7,876
Long-term loans	10,700	10,964
Lease obligations	2,884	3,130
Guarantee deposits received	38,235	38,521
Deferred income taxes	8,415	8,715
Accrued pension and severance costs	12,585	16,248
Accrued retirement benefits for directors and corporate auditors	2,509	2,738
Investment deposits by policyholders, unearned premiums and other insurance liabilities	127,812	128,102
Other	1,817	1,987
Total liabilities	430,366	418,456
NET ASSETS:		
Shareholders' equity:	641,034	636,664
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	565,261	560,892
Common stock in treasury, at cost	(73,659)	(73,659)
Accumulated other comprehensive income:	(33,026)	(31,762)
Unrealized gains (losses) on securities	4,559	1,567
Deferred gains (losses) on hedges	(28)	(35)
Foreign currency translation adjustments	(37,556)	(33,294)
Minority interests in subsidiaries	63,509	63,366
Total net assets	671,517	668,268
Total liabilities and net assets	1,101,884	1,086,725

(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, 2011	Three-month period ended June 30, 2012
Revenue	153,800	166,420
Costs of revenue	95,912	105,758
Gross profit	57,887	60,662
Selling, general and administrative expenses	35,104	37,369
Operating profit	22,782	23,293
Non-operating income	3,397	3,511
Non-operating expenses	2,083	1,269
Ordinary profit	24,096	25,534
Extraordinary profit	204	139
Extraordinary losses	774	181
Income before income taxes	23,527	25,492
Income taxes - current	6,422	6,516
Income taxes - deferred	3,478	3,044
Total income taxes	9,900	9,560
Net income before minority interests in subsidiaries	13,626	15,932
Minority interests in subsidiaries	536	657
Net income	13,089	15,275

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Three-month period ended June 30, 2011	Three-month period ended June 30, 2012
Net income before minority interests in subsidiaries	13,626	15,932
Other comprehensive income:	2,185	1,494
Unrealized gains (losses) on securities	(74)	(3,141)
Deferred gains (losses) on hedges	0	-
Foreign currency translation adjustments	1,304	2,924
Share of other comprehensive income of affiliated companies accounted for under the equity method	955	1,711
Comprehensive income	15,812	17,427
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent company	15,034	16,538
Comprehensive income attributable to minority interests	777	888

(3) Notes Regarding the Assumption of Going Concern

Not applicable.

(4) Segment Information, etc.

[Segment Information]

I. Three-month Period Ended June 30, 2011**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	Geographic information services
Revenue:					
Customers	101,404	14,064	10,244	8,940	9,880
Intersegment	2,574	1,029	31	826	23
Subtotal	103,979	15,094	10,276	9,767	9,904
Segment profit (loss)	24,448	(57)	743	577	(169)

	Reportable segments		Information and communication related and others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Real estate development and sales	Subtotal				
Revenue:						
Customers	1,352	145,887	7,913	153,800	-	153,800
Intersegment	303	4,790	1,161	5,952	(5,952)	-
Subtotal	1,656	150,677	9,075	159,753	(5,952)	153,800
Segment profit (loss)	(190)	25,352	630	25,983	(3,200)	22,782

Note 1: Information and communication related and others is an operating segment not included in reportable segments, and comprises information and communication related services, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 63 million yen and corporate expenses not allocated to each reportable segment of 3,136 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit/loss is adjusted to operating profit in the consolidated statements of income.

II. Three-month Period Ended June 30, 2012

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	Geographic information services
Revenue:					
Customers	105,057	21,952	10,131	8,870	10,517
Intersegment	2,553	1,039	46	870	23
Subtotal	107,610	22,991	10,178	9,740	10,540
Segment profit (loss)	25,460	(374)	1,074	111	(262)

	Reportable segments		Information and communication related and others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Real estate development and sales	Subtotal				
Revenue:						
Customers	1,453	157,982	8,437	166,420	-	166,420
Intersegment	135	4,667	1,343	6,010	(6,010)	-
Subtotal	1,589	162,650	9,781	172,431	(6,010)	166,420
Segment profit (loss)	63	26,073	1,129	27,202	(3,909)	23,293

Note 1: Information and communication related and others is an operating segment not included in reportable segments, and comprises information and communication related services, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 251 million yen and corporate expenses not allocated to each reportable segment of 3,657 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit/loss is adjusted to operating profit in the consolidated statements of income.

2. Information About Assets by Reportable Segments

There were significant changes in the amount of assets by reportable segment in the three-month period ended June 30, 2012 compared to the amount at the end of the previous fiscal year. The summary information is as follows:

In the fire protection services segment, the amount of segment assets increased by 24,185 million yen, arising from the acquisition of Nittan Co., Ltd. in the three-month period ended June 30, 2012.

3. Information About Impairment Loss on Fixed Assets and Goodwill by Reportable Segments

(Significant Changes in Goodwill)

In the fire protection services segment, goodwill increased due to the acquisition of Nittan Co., Ltd. in the three-month period ended June 30, 2012.

The amount of goodwill increased by 1,464 million yen in the three-month period ended June 30, 2012.

(5) Notes Regarding Significant Changes in Shareholders' Equity

Not applicable.

(6) Significant Subsequent Events

Not applicable.