

**NONCONSOLIDATED FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2005**

November 10, 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: Kanemasa Haraguchi, President and Representative Director  
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100  
 Date approved by board of directors: November 10, 2005  
 Interim dividends plan: None  
 Sales unit of shares: 500 shares (1 *Tangen*)

1. Summary of the nonconsolidated financial statements for the six months ended September 30, 2005  
 (April 1, 2005 – September 30, 2005)

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

	Six months ended September 30		Year ended March 31, 2005
	2005	2004	
Revenue	153,416	146,753	297,782
% change from the previous year	4.5%	3.4%	
Operating profit	36,285	33,264	66,031
% change from the previous year	9.1%	2.5%	
Ordinary profit	37,853	34,524	66,219
% change from the previous year	9.6%	5.9%	
Net income	23,845	21,066	37,704
% change from the previous year	13.2%	7.0%	
Basic net income per share (in yen)	105.97	93.61	167.09

Note 1. Weighted average number of common shares outstanding:

Six months ended September 30, 2005: 225,013,050 shares

Six months ended September 30, 2004: 225,046,093 shares

Year ended March 31, 2005: 225,038,973 shares

Note 2. Change in accounting policy: No

Note 3. Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the six months of the previous year.

(2) Dividends (in yen)

	Six months ended September 30		Year ended March 31, 2005
	2005	2004	
Interim dividends per share	-	-	-
Annual dividends per share	-	-	50.00

## (3) Financial conditions

(In millions of yen, figures rounded down)

	September 30, 2005	September 30, 2004	March 31, 2005
Total assets	612,024	576,379	598,711
Shareholders' equity	440,033	408,884	426,288
Shareholders' equity / Total assets	71.9%	70.9%	71.2%
Shareholders' equity per share (in yen)	1,955.69	1,816.94	1,893.97

## Note 1. Number of common shares outstanding:

As of September 30, 2005: 225,001,507 shares

As of September 30, 2004: 225,039,324 shares

As of March 31, 2005: 225,022,674 shares

## Note 2. Number of shares of common stock in treasury:

As of September 30, 2005: 8,287,210 shares

As of September 30, 2004: 8,243,494 shares

As of March 31, 2005: 8,266,043 shares

## 2. Forecasts for the nonconsolidated financial results for the fiscal year ending March 31, 2006 (April 1, 2005 – March 31, 2006)

(In millions of yen)

	Year ending March 31, 2006
Expected revenue	310,500
Expected ordinary profit	69,800
Expected net income	41,300
Expected basic net income per share (in yen)	183.10

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

## Nonconsolidated Balance Sheets

(in millions of yen)

	September 30, 2005		September 30, 2004		Change	March 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets	Amount	Amount	% of Total Assets
<b>ASSETS:</b>							
Current assets:							
Cash on hand and in banks	141,528		103,828		37,700	135,400	
Notes receivable	481		232		249	552	
Due from subscribers	9,490		8,593		896	9,008	
Accounts receivable, trade	5,127		5,146		(19)	6,228	
Short-term investments	451		451		0	451	
Inventories	7,893		8,241		(347)	7,796	
Short-term loans to subsidiaries and affiliates	30,306		27,307		2,998	24,404	
Other current assets	32,446		36,449		(4,003)	32,289	
Allowance for doubtful accounts	(2,574)		(4,870)		2,295	(2,299)	
Total current assets	225,151	36.8%	185,381	32.2%	39,770	213,831	35.7%
Fixed assets:							
Tangible assets:							
Buildings and improvements	23,538		25,257		(1,719)	23,943	
Security equipment and control stations	61,116		61,933		(816)	59,836	
Land	34,825		36,053		(1,228)	35,179	
Other tangible assets	7,602		9,006		(1,403)	7,809	
Total tangible assets	127,083	20.8%	132,251	22.9%	(5,168)	126,769	21.2%
Intangible assets:							
Telephone and telegraph utility rights	133		182		(48)	147	
Software	6,300		8,071		(1,771)	6,401	
Other intangible assets	2,065		2,438		(372)	2,030	
Total intangible assets	8,499	1.4%	10,692	1.9%	(2,193)	8,579	1.4%
Investments and others:							
Investment securities	29,370		24,022		5,347	27,654	
Investment securities in subsidiaries and affiliates	159,612		157,791		1,820	159,772	
Investment in subsidiaries	917		667		250	667	
Other investments	66,400		77,069		(10,668)	66,196	
Allowance for doubtful accounts	(5,010)		(11,496)		6,486	(4,760)	
Total investments and others	251,290	41.0%	248,054	43.0%	3,236	249,530	41.7%
Total fixed assets	386,872	63.2%	390,998	67.8%	(4,125)	384,880	64.3%
Total Assets	612,024	100.0%	576,379	100.0%	35,644	598,711	100.0%

## Nonconsolidated Balance Sheets (Contd.)

(in millions of yen)

	September 30, 2005		September 30, 2004		Change Amount	March 31, 2005	
	Amount	% of Total Assets	Amount	% of Total Assets		Amount	% of Total Assets
<b>LIABILITIES:</b>							
Current liabilities:							
Accounts payable	2,799		2,399		399	2,113	
Bank loans	27,540		28,109		(568)	29,173	
Current portion of long-term loans	-		2,300		(2,300)	2,300	
Current portion of straight bonds	30,000		-		30,000	-	
Current portion of convertible bonds	-		14		(14)	-	
Payables – others	9,699		8,797		901	10,201	
Accrued income taxes	12,445		12,897		(452)	10,279	
Accrued consumption taxes	1,397		1,269		128	1,306	
Accrued expenses	635		508		127	599	
Deposits received	31,042		-		31,042	31,146	
Deferred revenue	22,371		21,764		607	21,727	
Accrued bonus	5,215		4,984		230	4,967	
Other current liabilities	4,914		32,668		(27,753)	4,877	
Total current liabilities	148,061	24.2%	115,712	20.1%	32,348	118,694	19.8%
Fixed liabilities:							
Straight bonds	-		30,000		(30,000)	30,000	
Guarantee deposits received	18,268		16,957		1,310	18,014	
Accrued pension and severance costs	5,662		4,825		836	5,713	
Total fixed liabilities	23,930	3.9%	51,783	9.0%	(27,853)	53,728	9.0%
Total liabilities	171,991	28.1%	167,495	29.1%	4,495	172,423	28.8%
<b>SHAREHOLDERS' EQUITY:</b>							
Common stock	66,377	10.8%	66,370	11.5%	7	66,377	11.1%
Capital surplus:							
Additional paid-in capital	83,054		82,546		507	82,553	
Total capital surplus	83,054	13.6%	82,546	14.3%	507	82,553	13.8%
Retained earnings:							
Legal reserve	9,028		9,028		-	9,028	
Voluntary reserve	3,036		3,037		(1)	3,037	
Unappropriated retained earnings	319,259		290,129		29,130	306,766	
Total retained earnings	331,324	54.2%	302,195	52.4%	29,128	318,832	53.2%
Unrealized gains (losses) on securities	3,939	0.6%	2,236	0.4%	1,702	3,082	0.5%
Common stock in treasury, at cost	(44,662)	(7.3%)	(44,465)	(7.7%)	(196)	(44,558)	(7.4%)
Total shareholders' equity	440,033	71.9%	408,884	70.9%	31,149	426,288	71.2%
Total liabilities and shareholders' equity	612,024	100.0%	576,379	100.0%	35,644	598,711	100.0%

## Nonconsolidated Statements of Income

(in millions of yen)

	Six months ended September 30, 2005		Six months ended September 30, 2004		Change		Year ended March 31, 2005	
	Amount	% of Revenue	Amount	% of Revenue	Amount	%	Amount	% of Revenue
Revenue:								
Service charges and sales of merchandise	153,416	100.0%	146,753	100.0%	6,663	4.5%	297,782	100.0%
Costs:								
Cost of service and sales	82,856	54.0%	79,855	54.4%	3,000	3.8%	164,518	55.2%
Gross profit	70,560	46.0%	66,897	45.6%	3,662	5.5%	133,263	44.8%
Selling, general and administrative expenses	34,274	22.3%	33,632	22.9%	641	1.9%	67,232	22.6%
Operating profit	36,285	23.7%	33,264	22.7%	3,021	9.1%	66,031	22.2%
Non-operating income	4,472	2.9%	3,959	2.7%	512	13.0%	6,241	2.1%
Non-operating expenses	2,905	1.9%	2,700	1.9%	205	7.6%	6,052	2.1%
Ordinary profit	37,853	24.7%	34,524	23.5%	3,328	9.6%	66,219	22.2%
Extraordinary profit	1,249	0.8%	155	0.1%	1,094	705.3%	1,083	0.4%
Extraordinary loss	874	0.6%	812	0.5%	61	7.5%	5,915	2.0%
Income before income taxes	38,228	24.9%	33,866	23.1%	4,361	12.9%	61,388	20.6%
Income taxes - current	12,072	7.9%	12,489	8.5%	(416)	(3.3%)	19,920	6.7%
Income taxes - deferred	2,309	1.5%	310	0.2%	1,999	645.0%	3,763	1.2%
Net income	23,845	15.5%	21,066	14.4%	2,778	13.2%	37,704	12.7%
Unappropriated retained earnings at beginning of the period	295,414		269,062		26,351		269,062	
Unappropriated retained earnings	319,259		290,129		29,130		306,766	