

Nonconsolidated financial report for the fiscal year ended March 31, 2000

May 11, 2000

Company name: Secom Co., Ltd.
 Code number: 9735 Tokyo Stock Exchange - First Section
 Osaka Stock Exchange - First Section
 Corporate Headquarters: 26-2, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
 For inquiries: Katsuhisa Kuwahara Executive Director Phone (03)3348-7511
 Date of Board of Directors' meeting on the nonconsolidated financial statements: May 11, 2000
 Date of annual stockholders' meeting: June 29, 2000
 Interim dividends plan: None

1. Summary of the nonconsolidated financial statements for the fiscal year ended March 31, 2000
 (April 1, 1999 ~ March 31, 2000)

(1) Operating results (Figures rounded down to the nearest million)

	For the fiscal year ended March 31	
	2000	1999
Revenue (change from corresponding period the previous year)	¥242,461 million (4.7%)	¥231,505 million (4.0%)
Operating Income (change from corresponding period the previous year)	¥51,663 million (3.0%)	¥50,138 million (3.6%)
Ordinary Income (change from corresponding period the previous year)	¥52,036 million (3.0%)	¥50,515 million (3.7%)
Net Income (change from corresponding period the previous year)	¥30,272 million (16.1%)	¥26,077 million (8.7%)

Earnings Per Share	¥129.98	¥224.12
Diluted Earnings Per Share	¥129.80	¥223.64
ROE	8.6%	8.0%
ROA	11.2%	11.6%
Ordinary Income/ Revenue	21.5%	21.8%

Note 1. Weighted average number of common shares outstanding during the period:

For the year ended March 31, 2000: 232,895,681 shares

For the year ended March 31, 1999: 116,354,393 shares

* Figures, weighted average number of common shares outstanding and earnings per share for the fiscal year ended March 31, 2000, are calculated upon the number of shares after the stock split at the beginning of the period, due to the stock split at November 19, 1999.

Note 2. Change in accounting policy: None

(2) Dividends

	For the fiscal year ended March 31	
	2000	1999
Interim dividends per share	-	-
Annual dividends per share	¥40	¥70
Total annual dividend payout	¥9,322 million	¥8,146 million
Dividend payout ratio	30.8%	31.2%
Total dividends/ Shareholders' equity	2.6%	2.4%

(3) Financial conditions

(Figures rounded down to the nearest million)

	For the fiscal year ended March 31	
	2000	1999
Total assets	¥474,726 million	¥453,745 million
Shareholders' equity	¥365,169 million	¥338,729 million
Shareholders' equity/ Total assets	76.9%	74.7%
Shareholders' equity per share	¥1,566.74	¥2,910.24

Note 1. Number of common shares outstanding:

As of March 31, 2000:	233,075,442 shares
As of March 31, 1999:	116,392,109 shares

2. Forecasts for the nonconsolidated financial results for the fiscal year ending March 31, 2001, and the six-month period ending September 30, 2000 (April 1, 2000 - March 31, 2001).

	For the fiscal year ending March 31, 2001	For the six-month period ending September 30, 2000
Revenue	¥254,444 million	¥124,031 million
Ordinary Income	¥53,289 million	¥28,680 million
Net Income	¥30,937 million	¥16,863 million
Annual Dividends Per Share	¥40	-

Reference: Expected earnings per share ¥132.74

Nonconsolidated Balance Sheets

(in millions of yen)

	March 31, 1999		March 31, 2000	
Assets:				
Current assets:				
Cash on hand and in banks		93,901		92,077
Notes receivable		458		324
Due from subscribers		5,564		6,242
Accounts receivable, trade		3,237		4,172
Receivables - other		1,242		3,457
Marketable securities		25,887		15,482
Merchandise		4,805		5,524
Supplies		948		1,121
Prepaid expenses		1,241		1,369
Deferred tax assets		—		1,961
Short-term loans		3,284		3,266
Short-term loans to subsidiaries and affiliates		25,746		29,922
Common stock in treasury		119		42
Other current assets		1,512		4,274
Allowance for doubtful accounts		-146		-137
Total current assets		167,804		169,104
Fixed assets:				
Tangible assets:				
Buildings and improvements	39,778		40,487	
Accumulated depreciation of buildings and improvements	15,483	24,294	16,790	23,696
Automobiles	2,527		2,453	
Accumulated depreciation of automobiles	1,789	737	1,874	578
Signal equipment on subscribers' premises	114,071		124,879	
Accumulated depreciation of signal equipment on subscribers' premises	69,827	44,243	77,721	47,157
Control station signal equipment	94,317		98,581	
Accumulated depreciation of control station signal equipment	75,875	18,442	79,914	18,667
Machinery and equipment	6,199		8,171	
Accumulated depreciation of machinery and equipment	4,691	1,508	5,264	2,906
Tools, furniture and fixtures	9,296		9,924	
Accumulated depreciation of tools, furniture and fixtures	7,129	2,166	7,589	2,335
Land		34,996		35,152
Construction in progress		1,693		1,616
Other tangible assets	117	19	123	18
Accumulated depreciation of other tangible assets	98		104	
Total tangible assets		128,102		132,130
Intangible assets:				
Telephone rights		1,602		1,795
Telephone and telegraph utility rights		1,975		1,156
Patents		11		2
Software		—		3,313
Other intangible assets		2,919		4,720
Total intangible assets		6,509		10,988
Investments and others:				
Investment securities		12,519		10,706
Investment securities in subsidiaries and affiliates		109,233		126,090
Investment		2,490		2,826
Investment in subsidiaries		3,481		3,681
Long-term loans receivable		2,667		2,594
Long-term loans receivable to employees		44		41
Long-term loans receivable to subsidiaries and affiliates		401		—
Lease deposits		6,889		6,802
Long-term prepaid expenses		9,436		1,540
Deferred tax assets		—		1,631
Fund for insurance		—		5,495
Other investments		4,179		1,105
Allowance for doubtful accounts		-14		-13
Total investments and others		151,329		162,503
Total fixed assets		285,941		305,622
Total assets		453,745		474,726

Nonconsolidated Balance Sheets

(in millions of yen)

	March 31, 1999	March 31, 2000
Liabilities:		
Current liabilities:		
Accounts payable	1,671	1,683
Bank loans	21,058	23,454
Current portion of long-term debt	4	—
Payables – others	6,707	7,590
Payables – construction	3,173	4,123
Income taxes payable	13,771	9,858
Consumption taxes payable	1,439	2,005
Accrued expenses	5,356	5,484
Deposits received	25,439	18,784
Deferred revenue - service charges	18,734	19,254
Other current liabilities	770	1,325
Total current liabilities	98,127	93,564
Fixed liabilities:		
Convertible bonds	1,347	578
Guarantee deposits received	14,606	15,046
Accrued severance indemnities	378	368
Other fixed liabilities	557	—
Total fixed liabilities	16,889	15,993
Total liabilities	115,016	109,557
Shareholders' equity:		
Common stock	65,709	66,096
Statutory reserve:		
Capital reserve	81,781	82,272
Legal reserve	6,294	7,126
Voluntary reserve:		
Reserve for systems development	800	800
Reserve for tax deferral on assets replacement	56	31
General reserve	2,212	2,212
Unappropriated retained earnings	181,874	206,629
Total shareholders' equity	338,729	365,169
Total liabilities and shareholders' equity	453,745	474,726

Nonconsolidated Statements of Income

(in millions of yen)

	For the fiscal year ended March 31, 1999		For the fiscal year ended March 31, 2000	
Revenue:		231,505		242,461
Service charges	210,239		218,977	
Sales of merchandise	21,265		23,484	
Costs and operating expenses:		123,180		130,585
Cost of service charges	108,349		113,815	
Cost of sales of merchandise	14,830		16,769	
Gross Profit		108,324		111,876
Selling, general and administrative expenses		58,185		60,212
Advertisement	2,601		2,624	
Salaries	20,913		21,032	
Bonuses	6,493		6,029	
Provision for accrued severance indemnities	8		8	
Welfare expenses	3,072		3,043	
Depreciation expenses	2,802		2,357	
Rent expenses	5,474		5,213	
Travel expenses	951		1,019	
Communication expenses	1,954		1,722	
Office supply expenses	987		915	
Taxes and public imposts	667		510	
Provision for doubtful account	2		3	
Commission expenses	4,389		4,249	
Research and development expenses	—		5,715	
Other expenses	7,865		5,766	
Operating income		50,138		51,663
Non-operating income:		5,198		5,210
Interest income	627		699	
Dividends income	2,054		2,274	
Gain on sales of investment in marketable securities	320		1,416	
Gain on investment in Fund	1,619		—	
Other income	575		819	
Non-operating expenses:		4,821		4,837
Interest expenses - convertible bond	18		15	
Loss on revaluation of investment in marketable subsidiaries	279		2,052	
Loss on disposal of fixed assets	1,609		1,497	
Loss on disposal of inventories	—		514	
Other expenses	2,914		757	
Ordinary income		50,515		52,036
Extraordinary income:		12,072		5,427
Gain on sales of investment securities	—		1,018	
Gain on sales of investment in subsidiaries' and affiliates' securities	12,072		4,408	
Extraordinary losses:		12,167		5,810
Loss on revaluation of investment securities	—		1,649	
Loss on liquidation of investment securities	—		159	
Loss on revaluation of investment in subsidiaries	1,149		2,572	
Loss on liquidation of investment in subsidiaries	9,720		—	
Amortization of prior service pension costs	1,296		1,428	
Income before income taxes		50,420		51,653
Provision for income taxes		24,343		21,361
Deferred income taxes		—		20
Net income		26,077		30,272
Unappropriated retained earnings at beginning of the period		155,797		172,721
Accumulated adjustment on deferred taxes for the prior years		—		3,613
Adjustment on reserves for tax deferral on asset replacement		—		22
Unappropriated retained earnings		181,874		206,629

Profit Appropriation

(in millions of yen)

	For the fiscal year ended March 31,1999		For the fiscal year ended March 31,2000	
Unappropriated retained earnings		181,874		206,629
Reversal of voluntary reserve		1		1
Subtotal		181,876		206,630
Transfer to legal reserve		832		950
Cash dividends		8,146		9,322
Directors' bonuses		176		177
Appropriated retained earnings		172,721		196,180