

Nonconsolidated financial report for the fiscal year ended March 31, 2001

May 10, 2001

Company name: Secom Co., Ltd.
 Code number: 9735 Tokyo Stock Exchange - First Section
 Osaka Stock Exchange - First Section
 Corporate Headquarters: Tokyo, Japan
 For inquiries: Katsuhisa Kuwahara Executive Director Phone (03)5775-8100
 Date approved by Board of Directors: May 10, 2001
 Date of annual stockholders' meeting: June 28, 2001
 Interim dividends plan: None

1. Summary of the nonconsolidated financial statements for the fiscal year ended March 31, 2001
 (April 1, 2000 ~ March 31, 2001)

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

	For the fiscal year ended March 31, 2000	For the fiscal year ended March 31, 2001
Revenue Percent change from the previous year	¥242,461 million 4.7%	¥257,008 million 6.0%
Operating Income Percent change from the previous year	¥51,663 million 3.0%	¥53,214 million 3.0%
Ordinary Income Percent change from the previous year	¥52,036 million 3.0%	¥53,239 million 2.3%
Net Income Percent change from the previous year	¥30,272 million 16.1%	¥30,595 million 1.1%

Earnings Per Share	¥129.98	¥131.26
Diluted Earnings Per Share	¥129.80	¥131.17
Net income/ Shareholders' equity	8.6%	8.1%
Ordinary income/ Total assets	11.2%	10.9%
Ordinary Income/ Revenue	21.5%	20.7%

Note 1. Weighted average number of common shares outstanding;

For the year ended March 31, 2001: 233,084,194 shares
 For the year ended March 31, 2000: 232,895,681 shares

Note 2. Change in accounting policy: None

(2) Dividends

	For the fiscal year ended March 31	
	2000	2001
Interim Dividends per share	-	-
Annual Dividends per share	¥40	¥40
Total Dividends per share	¥40	¥40
Total annual dividend Payout	¥9,322 million	¥9,323 million
Dividend payout ratio	30.8%	30.5%
Total dividends/Shareholders' equity	2.6%	2.4%

(3) Financial conditions

(Figures rounded down to the nearest million)

	March 31, 2000	March 31, 2001
Total assets	¥474,726 million	¥504,339 million
Shareholders' Equity	¥365,169 million	¥390,899 million
Shareholders' Equity/Total assets	76.9%	77.5%
Shareholders' Equity per share	¥1,566.74	¥1,676.96

Note 1. Number of common shares outstanding;

As of March 31, 2001: 233,099,744 shares

As of March 31, 2000: 233,075,442 shares

2. Forecasts for the nonconsolidated financial results for the fiscal year ending March 31, 2002, and the six-month period ending September 30, 2001 (April 1, 2001 - March 31, 2002)

	For the fiscal year ending March 31, 2002	For the six-month period ending September 30, 2001
Revenue	¥280,033 million	¥136,174 million
Ordinary Income	¥55,347 million	¥29,598 million
Net Income	¥31,876 million	¥17,433 million
Interim Dividends per share	-	-
Annual Dividends per share	¥40	-
Total Dividends per share	¥40	-

Reference: Expected earnings per share ¥136.75

Nonconsolidated balance sheets	March 31, 2000		As a percent of Total Assets	March 31, 2001		As a percent of Total Assets	Change from the previous year
Assets:							
Current assets:							
Cash on hand and in banks		92,077		77,581			(14,496)
Notes receivable		324		538			213
Due from subscribers		6,242		7,072			830
Accounts receivable, trade		4,172		5,089			916
Receivables - other		3,457		3,123			(333)
Marketable securities		15,482		6,312			(9,170)
Merchandise		5,524		6,625			1,100
Supplies		1,121		1,326			204
Prepaid expenses		1,369		1,605			235
Deferred tax assets		1,961		3,063			1,102
Short-term loans		3,266		6,398			3,131
Short-term loans to subsidiaries and affiliates		29,922		22,499			(7,423)
Common stock in treasury		42		3			(39)
Other current assets		4,274		2,683			(1,591)
Allowance for doubtful accounts		(137)		(2,245)			(2,108)
Total current assets		169,104	35.6%	141,676	28.1%		(27,427)
Fixed assets:							
Tangible assets:							
Buildings and improvements	40,487			40,921			
Accumulated depreciation of buildings and improvements	16,790	23,696		17,914	23,006		(689)
Automobiles	2,453			2,662			
Accumulated depreciation of automobiles	1,874	578		1,982	679		101
Signal equipment on subscribers' premises	124,879			138,597			
Accumulated depreciation of signal equipment on subscribers' premises	77,721	47,157		86,720	51,876		4,718
Control station signal equipment	98,581			101,935			
Accumulated depreciation of control station signal equipment	79,914	18,667		83,300	18,634		(32)
Machinery and equipment	8,171			10,335			
Accumulated depreciation of machinery and equipment	5,264	2,906		6,230	4,104		1,197
Tools, furniture and fixtures	9,924			11,625			
Accumulated depreciation of tools, furniture and fixtures	7,589	2,335		8,309	3,316		981
Land		35,152			37,837		2,685
Construction in progress		1,616			2,327		711
Other tangible assets	123			126			
Accumulated depreciation of other tangible assets	104	18		110	16		(2)
Total tangible assets		132,130	27.9%		141,800	28.1%	9,670
Intangible assets:							
Telephone rights		1,795			1,958		163
Telephone and telegraph utility rights		1,156			803		(353)
Patents		2			-		(2)
Software		3,313			11,422		8,108
Other intangible assets		4,720			2,743		(1,976)
Total intangible assets		10,988	2.3%		16,928	3.4%	5,939
Investments and others:							
Investment securities		10,706			27,284		16,578
Investment securities in subsidiaries and affiliates		126,090			141,546		15,456
Investment		2,826			4,121		1,294
Investment in subsidiaries		3,681			3,681		-
Long-term loans receivable		2,594			4,214		1,619
Long-term loans receivable to employees		41			27		(14)
Long-term loans receivable to subsidiaries and affiliates		-			7,000		7,000
Lease deposits		6,802			8,697		1,895
Long-term prepaid expenses		1,540			1,263		(276)
Deferred tax assets		1,631			-		(1,631)
Fund for insurance		5,495			5,766		270
Other investments		1,105			1,535		429
Allowance for doubtful accounts		(13)			(1,205)		(1,192)
Total investments and others		162,503	34.2%		203,933	40.4%	41,429
Total fixed assets		305,622	64.4%		362,662	71.9%	57,040
Total Assets		474,726	100.0%		504,339	100.0%	29,612

Nonconsolidated balance sheets	March 31, 2000		As a percent of Total Assets	March 31, 2001		As a percent of Total Assets	Change from the previous year
Liabilities:							
Current liabilities:							
Accounts payable		1,683		1,908			224
Bank loans		23,454		20,157			(3,297)
Payables – others		7,590		10,722			3,131
Payables – construction		4,123		4,328			204
Income taxes payable		9,858		13,904			4,046
Consumption taxes payable		2,005		1,669			(336)
Accrued expenses		5,484		5,713			229
Deposits received		18,784		15,681			(3,102)
Deferred revenue - service charges		19,254		19,583			328
Other current liabilities		1,325		768			(556)
Total current liabilities		93,564	19.7%	94,436	18.7%		872
Fixed liabilities:							
Convertible bonds		578		518			(60)
Guarantee deposits received		15,046		15,784			737
Deferred income taxes		-		581			581
Accrued severance indemnities		368		-			(368)
Accrued pension and severance costs		-		1,999			1,999
Other fixed liabilities		-		120			120
Total fixed liabilities		15,993	3.4%	19,003	3.8%		3,009
Total liabilities		109,557	23.1%	113,439	22.5%		3,881
Shareholders' equity:							
Common stock		66,096	13.9%	66,126	13.1%		30
Additional paid-in capital		82,272	17.3%	82,302	16.3%		29
Legal reserve		7,126	15.0%	8,077	1.6%		950
Retained earnings:							
Voluntary reserve							
Reserve for systems development	800			800			
Reserve for tax deferral on assets replacement	31			30			
General reserve	2,212	3,043		2,212	3,042		(1)
Unappropriated retained earnings		206,629		226,776			20,146
Total retained earnings		209,672	44.2%	229,818	45.6%		20,145
Net unrealized gain in debt and equity securities		-	-	4,575	0.9%		4,575
Total shareholders' equity		365,169	76.9%	390,899	77.5%		25,730
Total liabilities and shareholders' equity		474,726	100.0%	504,339	100.0%		29,612

Nonconsolidated statements of income	For the fiscal year ended March 31, 2000		As a percent of Revenue	For the fiscal year ended March 31, 2001		As a percent of Revenue	Change from the previous year
Revenues		242,461	100.0%		257,008	100.0%	14,546
Service charges	218,977			230,722			
Sales of merchandise	23,484			26,285			
Costs and operating expenses:		130,585	53.9%		141,310	55.0%	10,724
Cost of service charges	113,815			122,456			
Cost of sales of merchandise	16,769			18,853			
Gross Profit		111,876	46.1%		115,698	45.0%	3,822
Selling, general and administrative expenses		60,212	24.8%		62,484	24.3%	2,272
Advertisement	2,624			2,560			
Salaries	21,032			21,817			
Bonuses	6,029			6,328			
Provision for accrued severance indemnities	8			-			
Accrued net pension and severance cost	-			1,858			
Welfare expenses	3,043			2,767			
Depreciation expenses	2,357			2,437			
Rent expenses	5,213			5,621			
Travel expenses	1,019			1,088			
Communication expenses	1,722			1,687			
Office supply expenses	915			1,022			
Taxes and public imposts	510			512			
Provision for doubtful account	3			104			
Commission expenses	4,249			4,200			
Research and development expenses	5,715			4,781			
Other expenses	5,766			5,694			
Operating profit		51,663	21.3%		53,214	20.7%	1,550
Non-operating income:		5,210	2.2%		7,211	2.8%	2,001
Interest income	699			897			
Dividends income	2,274			2,425			
Gain on sales of investment in marketable securities	1,416			3			
Gain on investment in Fund	-			3,455			
Other income	819			430			
Non-operating expenses:		4,837	2.0%		7,186	2.8%	2,349
Interest expenses	-			260			
Interest expenses - convertible bond	15			8			
Loss on revaluation of investment in marketable subsidiaries	2,052			-			
Provision for allowance for doubtful accounts	-			2,986			
Loss on disposal of fixed assets	1,497			2,091			
Loss on disposal of inventories	514			468			
Other expenses	757			1,371			
Ordinary profit		52,036	21.5%		53,239	20.7%	1,202
Extraordinary income		5,427	2.2%		23,246	9.1%	17,819
Gain on transfer of investment securities to the pension plan	-			21,365			
Gain on sales of investment securities	1,018			1,155			
Gain on sales of investment in subsidiaries' and affiliates' securities	4,408			-			
Other	-			724			
Extraordinary losses		5,810	2.4%		24,570	9.6%	18,759
Accumulated pension and severance cost	-			21,549			
Loss on revaluation of investment securities	1,649			1,190			
Loss on liquidation of investment securities	159			-			
Loss on revaluation of investment in subsidiaries	2,572			1,456			
Amortization of prior service pension costs	1,428			-			
Other	-			373			
Income before income taxes		51,653	21.3%		51,915	20.2%	261
Income taxes		21,381	8.8%		21,319	8.3%	(62)
- current	21,361			23,508			
- deferred	20			(2,189)			
Net income		30,272	12.5%		30,595	11.9%	323
Unappropriated retained earnings at beginning of the period		172,721			196,180		23,459
Accumulated adjustment on deferred taxes for the prior years		3,613			-		(3,613)
Adjustment on reserves for tax deferral on asset replacement		22			-		(22)
Unappropriated retained earnings		206,629			226,776		20,146

Profit Appropriation	For the fiscal year ended March 31, 2000		For the fiscal year ended March 31, 2001	
Unappropriated retained earnings		206,629		226,776
Reversal of voluntary reserve	1		1	
Subtotal		206,630		226,777
Transfer to legal reserve	950		951	
Cash dividends	9,322		9,323	
Directors' bonuses	177		187	
Appropriated retained earnings		196,180		216,315