

Nonconsolidated financial report for the fiscal year ended March 31, 2002

May 9, 2002

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 9, 2002  
 Date of annual stockholders' meeting: June 27, 2002  
 Interim dividends plan: None  
 A sales unit of securities: 500shares (1Tangen)

1. Summary of the nonconsolidated financial statements for the fiscal year ended March 31, 2002  
 (April 1, 2001 ~ March 31, 2002)

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

	For the fiscal year ended March 31, 2001	For the fiscal year ended March 31, 2002
Revenue	¥257,008 million	¥274,669 million
Percent change from the previous year	6.0%	6.9%
Operating Income	¥53,214 million	¥38,901 million
Percent change from the previous year	3.0%	(26.9)%
Ordinary Income	¥53,239 million	¥38,891 million
Percent change from the previous year	2.3%	(26.9)%
Net Income	¥30,595 million	¥16,948 million
Percent change from the previous year	1.1%	(44.6)%

Earnings Per Share	¥131.26	¥72.70
Diluted Earnings Per Share	¥131.17	¥72.66
Net income/ Shareholders' equity	8.1%	4.3%
Ordinary income/ Total assets	10.9%	7.2%
Ordinary Income/ Revenue	20.7%	14.2%

Note 1. Weighted average number of common shares outstanding;

For the year ended March 31, 2002: 233,138,018 shares  
 For the year ended March 31, 2001: 233,084,194 shares

Note 2. Change in accounting policy: Yes

(2) Dividends

	For the fiscal year ended March 31	
	2001	2002
Interim Dividends per share	-	-
Annual Dividends per share	¥40	¥40
Total Dividends per share	¥40	¥40
Total annual dividend Payout	¥9,323 million	¥9,330 million
Dividend payout ratio	30.5%	55.0%
Total dividends/Shareholders' equity	2.4%	2.4%

(3) Financial conditions

(Figures rounded down to the nearest million)

	March 31, 2001	March 31, 2002
Total assets	¥504,339 million	¥570,769 million
Shareholders' Equity	¥390,899 million	¥394,729 million
Shareholders' Equity/Total assets	77.5%	69.2%
Shareholders' Equity per share	¥1,676.96	¥1,692.29

Note 1. Number of common shares outstanding;

As of March 31, 2002: 233,252,257 shares

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

Note 2. Number of common shares in treasury;

As of March 31, 2002: 22,512 shares

2. Forecasts for the nonconsolidated financial results for the fiscal year ending March 31, 2003, and the six-month period ending September 30, 2002 (April 1, 2002 - March 31, 2003)

	For the fiscal year ending March 31, 2003	For the six-month period ending September 30, 2002
Revenue	¥290,545 million	¥142,424 million
Ordinary Income	¥59,669 million	¥32,207 million
Net Income	¥34,472 million	¥19,009 million
Interim Dividends per share	-	-
Annual Dividends per share	¥40	-
Total Dividends per share	¥40	-

Reference: Expected earnings per share ¥147.79

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

(in millions of yen)

Nonconsolidated balance sheets	March 31, 2001		As a percent of Total Assets	March 31, 2002		As a percent of Total Assets	Change from the previous year
Assets:							
Current assets:							
Cash on hand and in banks		77,581			101,946		24,365
Notes receivable		538			741		203
Due from subscribers		7,072			7,726		654
Accounts receivable, trade		5,089			6,719		1,630
Receivables - other		3,123			3,536		413
Marketable securities		6,312			1,479		(4,833)
Merchandise		6,625			9,563		2,938
Supplies		1,326			1,649		323
Prepaid expenses		1,605			1,857		252
Deferred tax assets		3,063			4,096		1,032
Short-term loans		6,398			17,443		11,044
Short-term loans to subsidiaries and affiliates		22,499			23,216		716
Common stock in treasury		3			-		(3)
Other current assets		2,683			2,458		(225)
Allowance for doubtful accounts		(2,245)			(2,959)		(713)
Total current assets		141,676	28.1%		179,475	31.4%	37,799
Fixed assets:							
Tangible assets:							
Buildings and improvements	40,921			39,337			
Accumulated depreciation of buildings and improvements	17,914	23,006		18,761	20,576		(2,430)
Automobiles	2,662			2,597			
Accumulated depreciation of automobiles	1,982	679		1,963	634		(45)
Signal equipment on subscribers' premises	138,597			153,122			
Accumulated depreciation of signal equipment on subscribers' premises	86,720	51,876		96,489	56,633		4,757
Control station signal equipment	101,935			104,568			
Accumulated depreciation of control station signal equipment	83,300	18,634		85,986	18,582		(52)
Machinery and equipment	10,335			11,145			
Accumulated depreciation of machinery and equipment	6,230	4,104		7,574	3,571		(533)
Tools, furniture and fixtures	11,625			12,310			
Accumulated depreciation of tools, furniture and fixtures	8,309	3,316		8,926	3,383		66
Land		37,837			37,907		69
Construction in progress		2,327			2,011		(316)
Other tangible assets	126			140			
Accumulated depreciation of other tangible assets	110	16		115	25		8
Total tangible assets		141,800	28.1%		143,325	25.1%	1,524
Intangible assets:							
Telephone rights		1,958			1,997		38
Telephone and telegraph utility rights		803			634		(168)
Patents		-			-		(2)
Software		11,422			10,535		(886)
Other intangible assets		2,743			1,605		(1,138)
Total intangible assets		16,928	3.4%		14,772	2.6%	(2,155)
Investments and others:							
Investment securities		27,284			23,578		(3,706)
Investment securities in subsidiaries and affiliates		141,546			156,879		15,332
Investment		4,121			2,586		(1,534)
Investment in subsidiaries		3,681			3,991		310
Long-term loans receivable		4,214			3,023		(1,190)
Long-term loans receivable to employees		27			24		(2)
Long-term loans receivable to subsidiaries and affiliates		7,000			6,700		(300)
Lease deposits		8,697			8,504		(193)
Long-term prepaid expenses		1,263			1,025		(237)
Deferred tax assets		-			19,223		19,223
Fund for insurance		5,766			5,406		(359)
Other investments		1,535			3,562		2,026
Allowance for doubtful accounts		(1,205)			(1,311)		(106)
Total investments and others		203,933	40.4%		233,195	40.9%	29,261
Total fixed assets		362,662	71.9%		391,293	68.6%	28,631
Total Assets		504,339	100.0%		570,769	100.0%	66,430

(in millions of yen)

Nonconsolidated balance sheets	March 31, 2001		As a percent of Total Assets	March 31, 2002		As a percent of Total Assets	Change from the previous year
Liabilities:							
Current liabilities:							
Accounts payable		1,908			1,813		(94)
Bank loans		20,157			15,234		(4,922)
Current portion of long-term debt		-			33		33
Payables – others		10,722			10,167		(554)
Payables – construction		4,328			3,514		(813)
Income taxes payable		13,904			18,163		4,258
Consumption taxes payable		1,669			1,839		170
Accrued expenses		5,713			619		(5,094)
Deposits received		15,681			20,867		5,185
Deferred revenue - service charges		19,583			20,108		525
Accrued bonus		-			4,939		4,939
Other current liabilities		768			933		164
Total current liabilities		94,436	18.7%		98,234	17.2%	3,797
Fixed liabilities:							
Straight bonds		-			30,000		30,000
Convertible bonds		518			18		(500)
Guarantee deposits received		15,784			16,445		661
Deferred income taxes		581			-		(581)
Accrued pension and severance costs		1,999			31,341		29,342
Other fixed liabilities		120			-		(120)
Total fixed liabilities		19,003	3.8%		77,805	13.6%	58,802
Total liabilities		113,439	22.5%		176,039	30.8%	62,599
Shareholders' equity:							
Common stock		66,126	13.1%		66,360	11.6%	233
Additional paid-in capital		82,302	16.3%		82,536	14.5%	233
Legal reserve		8,077	1.6%		9,028	1.6%	951
Retained earnings:							
Voluntary reserve							
Reserve for systems development		800			800		
Reserve for tax deferral on assets replacement		30			28		
General reserve		2,212	3,042		2,212	3,040	(1)
Unappropriated retained earnings		226,776			233,263		6,487
Total retained earnings		229,818	45.6%		236,304	41.4%	6,486
Net unrealized gain in debt and equity securities		4,575	0.9%		642	0.1%	(3,933)
Common stock in treasury, at cost		-	-		(141)	0.0%	(141)
Total shareholders' equity		390,899	77.5%		394,729	69.2%	3,829
Total liabilities and shareholders' equity		504,339	100.0%		570,769	100.0%	66,430

(in millions of yen)

Nonconsolidated statements of income	For the fiscal year ended March 31, 2001	As a percent of Revenue	For the fiscal year ended March 31, 2002	As a percent of Revenue	Change from the previous year
Revenues	257,008	100.0%	274,669	100.0%	17,660
Service charges	230,722		244,014		
Sales of merchandise	26,285		30,654		
Costs and operating expenses:	141,310	55.0%	162,427	59.1%	21,117
Cost of service charges	122,456		140,000		
Cost of sales of merchandise	18,853		22,427		
Gross Profit	115,698	45.0%	112,241	40.9%	(3,457)
Selling, general and administrative expenses	62,484	24.3%	73,339	14.2%	10,855
Advertisement	2,560		2,625		
Salaries	21,817		22,045		
Bonuses	6,328		4,451		
Accrued bonus	-		1,967		
Accrued net pension and severance cost	1,858		9,598		
Welfare expenses	2,767		2,889		
Depreciation expenses	2,437		3,046		
Rent expenses	5,621		6,262		
Travel expenses	1,088		1,140		
Communication expenses	1,687		1,713		
Office supply expenses	1,022		1,064		
Taxes and public imposts	512		607		
Provision for doubtful account	104		20		
Commission expenses	4,200		4,242		
Research and development expenses	4,781		5,631		
Other expenses	5,694		6,032		
Operating profit	53,214	20.7%	38,901	14.2%	(14,312)
Non-operating income:	7,211	2.8%	4,661	1.7%	(2,549)
Interest income	897		1,062		
Dividends income	2,425		2,524		
Gain on investment in Fund	3,455		-		
Other income	433		1,075		
Non-operating expenses:	7,186	2.8%	4,671	1.7%	(2,514)
Interest expenses	260		228		
Interest expenses - convertible bond	8		126		
Provision for allowance for doubtful accounts	2,986		838		
Loss on disposal of fixed assets	2,091		1,985		
Loss on disposal of inventories	468		445		
Other expenses	1,371		1,047		
Ordinary profit	53,239	20.7%	38,891	14.2%	(14,347)
Extraordinary income	23,246	9.1%	28,211	10.2%	4,964
Lump-sum recognition of prior service cost due to pension plan amendment	-		24,394		
Gain on transfer of investment securities to the pension plan	21,365		-		
Gain on sales of investment securities	1,155		2,289		
Gain on sales of investment in subsidiaries' and affiliates' securities	-		1,528		
Other	724		-		
Extraordinary losses	24,570	9.6%	38,712	14.1%	14,142
Lump-sum recognition of prior period actuarial loss and transition obligations due to change in accounting for pensions	-		33,680		
Accumulated pension and severance cost	21,549		-		
Loss on revaluation of investment securities	1,190		2,149		
Loss on revaluation of investment in subsidiaries	1,456		2,811		
Other	373		70		
Income before income taxes	51,915	20.2%	28,390	10.3%	(23,524)
Income taxes	21,319	8.3%	11,441	4.1%	(9,877)
- current	23,508		29,422		
- deferred	(2,189)		(18,000)		
Net income	30,595	11.9%	16,948	6.2%	(13,646)
Unappropriated retained earnings at beginning of the period	196,180		216,315		20,134
Unappropriated retained earnings	226,776		233,263		6,487

(in millions of yen)

Profit Appropriation	For the fiscal year ended March 31, 2001	For the fiscal year ended March 31, 2002
Unappropriated retained earnings	226,776	233,263
Reversal of voluntary reserve	1	1
Subtotal	226,777	233,265
Transfer to legal reserve	951	-
Cash dividends	9,323	9,330
Directors' bonuses	187	183
Appropriated retained earnings	216,315	223,751