

The logo for SECOM, featuring the word "SECOM" in a bold, white, sans-serif font with a registered trademark symbol (®) to its right. The background of the entire page is a blue-toned collage. In the upper left, a woman and a man are shown in profile, smiling and looking at a small dog. In the upper right, a satellite is depicted in space. The central and lower portions of the image are dominated by a glowing blue globe with a network of white lines connecting various points, symbolizing global connectivity and technology. The overall aesthetic is clean, modern, and high-tech.

SEMIANNUAL REPORT 2007

For the Six Months Ended September 30, 2007

PROFILE

Established in 1962, SECOM CO., LTD., is a pioneer in Japan's security services industry. SECOM has earned a solid reputation by offering innovative products and services that benefit society. SECOM's efforts to date have enabled it to provide security and peace of mind, as well as to achieve steady growth. Today, SECOM—the parent company and the companies of the SECOM Group—continues to pursue a wide range of initiatives aimed at realizing its vision for the future: the Social System Industry, a framework comprising integrated packages of products and services designed to make life more secure, convenient and comfortable. SECOM has maximized its capabilities to expand into such areas as fire protection services, medical services, insurance services, geographic information services, and information and communication related and other services.

SECOM has also expanded into overseas markets and currently has subsidiaries and joint ventures in Taiwan, the Republic of Korea (ROK), Thailand, Malaysia, Singapore, Indonesia, the People's Republic of China (PRC), Vietnam, the United States, the United Kingdom and Australia. In all of these markets, SECOM has earned a solid reputation for providing services of the same high quality it offers in Japan.

Note: Comparisons of operating results in this semiannual report are between the six months ended September 30, 2006 and 2007.

NONCONSOLIDATED FINANCIAL HIGHLIGHTS

SECOM CO., LTD.

Six months ended September 30, 2007, 2006 and 2005

	In millions of yen			In thousands of U.S. dollars
	2007	2006	2005	2007
Revenue	¥169,230	¥159,477	¥153,416	\$1,471,565
Operating profit	37,793	36,706	36,285	328,634
Income before income taxes	42,651	40,040	38,228	370,878
Net income.....	27,101	25,156	23,845	235,660
Net income per share (yen and U.S. dollars).....	¥ 120.47	¥ 111.82	¥ 105.97	\$ 1.04

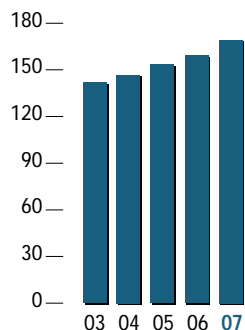
Notes: 1. Net income per share figures are in exact yen and U.S. dollars.

2. All dollar figures herein refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥115=US\$1, the rate prevailing on the Tokyo Foreign Exchange Market on September 28, 2007.

3. Net income per share amounts are based on the average number of shares outstanding during each period.

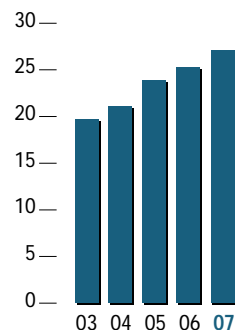
Nonconsolidated Revenue

(In billions of yen)



Nonconsolidated Net Income

(In billions of yen)



TO OUR SHAREHOLDERS

Operating Results

Despite the shadow cast on the global economy by rising crude oil prices and the U.S. subprime loans issue, Japan's economy remained on a gentle upward trend during the six months ended September 30, 2007, as robust corporate profits supported slight improvements in capital investment and the employment situation.

In recent years, deteriorating public security and the rising incidence of brutal crime have led to increasingly diverse and sophisticated safety and security needs. We continue to respond to these needs with measures aimed at realizing our vision for the future—the Social System Industry, a framework comprising integrated packages of products and services designed to make life more secure, convenient and comfortable. Such measures include reinforcing and expanding our core security services businesses by enhancing service quality and maximizing our comprehensive capabilities.

In the period under review, nonconsolidated revenue amounted to ¥169.2 billion, up 6.1% from the six months ended September 30, 2006. Operating profit rose 3.0%, to ¥37.8 billion, and net income increased 7.7%, to ¥27.1 billion.

Electronic Security Services

The electronic security services category encompasses the provision of commercial and home security services. In the period under review, revenue in this category totaled ¥118.0 billion, an increase of 3.4%, and accounted for 69.8% of nonconsolidated revenue.

Other Security Services

Revenue from static guard services rose 17.3%, to ¥12.7 billion, equivalent to 7.5% of nonconsolidated revenue. Armored car services revenue decreased 3.5%, to ¥8.2 billion, or 4.8% of nonconsolidated revenue. Other services contributed revenue of ¥6.0 billion, up 9.3%, and represented 3.5% of nonconsolidated revenue.

Sales of Merchandise

Security-related merchandise includes closed-circuit television (CCTV) surveillance cameras, access-control systems and external monitoring systems. Revenue in this category increased 18.2%, to ¥24.4 billion, and accounted for 14.4% of nonconsolidated revenue.

Business Developments

SECOM continues to pursue various initiatives aimed at realizing the Social System Industry and further accelerating growth.

In the area of security services, we market a wide range of centralized security systems; static guard, armored car and other security services; and security products. In security services for commercial customers, during the period under review we continued to emphasize securing new contracts by enhancing our on-line security systems with improvements to performance capabilities, as well as by augmenting our services lineup. We also stepped up efforts to sell security products, including access-control systems. In October 2007, SECOM commenced the operation and maintenance of two private finance initiative (PFI) correctional facilities in Tochigi Prefecture in partnership with the Ministry of Justice. The maintenance services for these facilities are provided by Tokyo Biso Kogyo Corporation, a company listed on the Second Section of the Tokyo Stock Exchange that became an equity-method affiliate as of May 2007. These are our second and third such facilities; our first, in Yamaguchi Prefecture, opened in April 2007.

In the area of home security services, we continued to focus on increasing the number of contracts for our on-line home security system, SECOM Home Security, which provides round-the-clock monitoring of homes for intruders, fires, gas leaks and medical and other emergencies. Updated in May 2006, SECOM Home Security currently meets the needs of residences of different sizes. We also continued to propose total security solutions for homes comprising SECOM Home Security and various security products.

Overseas, Secom plc, which provides security services in the United Kingdom, was awarded the 2007 Security Excellence Award for the best customer care initiative. The panel of judges, all of whom are security specialists, recognized the company's ongoing, highly successful Quality Service Provider (QSP) program, which exposes staff at all levels to ongoing training in customer care and integrates new technologies to strengthen relationships with customers, improve responsiveness and reduce customer complaints. This program continues to deliver significant benefits for the company and its customers, which include homeowners, public sector organizations and commercial establishments.

SECOM also provides fire protection, medical, insurance and geographic information services, as well as information and communication related and other services. Our fire protection services include automatic fire alarm systems, fire extinguishing systems and other fire protection systems for a wide range of applications, including office buildings,

plants, tunnels, cultural properties, ships and residences. In the period under review, demand for residential fire alarm systems was steady, owing in part to the fact that the installation of fire alarm systems has become mandatory in all new homes in Japan. The installation of such systems in existing homes is also expected to be required in the future.

Our medical services encompass home medical services, including pharmaceutical dispensing and delivery, and home nursing services; remote image diagnosis support services; electronic medical report (EMR) systems; sales of medical equipment; the operation of nursing homes; personal care services; and real estate leasing for medical institutions. During the period under review, we continued to enhance these services. We also continued to see growing appreciation of the quality of the various nursing homes we operate.

Our non-life insurance subsidiary offers a variety of distinctive policies that respond to customers' needs and capitalize on our capabilities as a security services company. The company's lineup includes SECOM *Anshin My Home*, a household insurance policy that offers a discount on premiums to homes that have installed security systems; the Security Discount Fire Policy, which offers a discount on premiums of up to 30% to commercial establishments that have installed security systems; New SECOM *Anshin My Car*, a comprehensive automobile insurance policy; and MEDCOM, an unrestricted cancer treatment policy that provides coverage for all hospitalization and medical treatment expenses.

In the area of geographic information services, the launch of a German commercial satellite in June 2007 has made it possible for us to obtain high-resolution geographical data in only a fraction of the time required with conventional satellites. Pasco Corporation, our geographic information services firm, has exclusive rights in Japan and nonexclusive rights worldwide to sell image data offered by the satellite's operator and is capitalizing on access to this data, as well as its existing surveying and geographic information system (GIS) capabilities, to expand its service lineup.

The information and communication related and other services category encompasses disaster response support services, including services designed to help companies formulate business continuity plans (BCPs) to facilitate confirmation of employee safety and the prompt resumption of business in the aftermath of a major disaster, as well as information security and other services for today's networked society; real estate development and real estate sales, focusing on attractive condominiums that emphasize security, peace of mind and lifestyle quality; and real estate leasing.

Strategic Directions

In recent years, demand has risen for high-quality products and services that reflect the evolving security needs of commercial and residential customers. At the same time, customers increasingly look to us for flexible responses and the ability to provide effective solutions that eliminate sources of unease and threats to safety and security in everyday life. Moreover, we are increasingly evaluated by our ability to offer comprehensive, seamless services. In this environment, we continue to draw on our accumulated expertise, extensive network and highly professional capabilities to develop and improve products and services that respond to customer needs.

We are also reiterating our commitment to strengthening compliance as a crucial prerequisite to realizing the Social System Industry and enhancing corporate value. In addition to complying with laws and regulations in the markets in which we operate, we are making every effort to ensure employees throughout SECOM understand and embrace our corporate philosophy and adhere to the SECOM Group Code of Employee Conduct. By ensuring that all employees approach their work with a high level of corporate ethics, we are confident in our ability to deliver quality services and contribute to society through our business activities.

Going forward, we will strive to further leverage SECOM's capabilities to accelerate growth and enhance operating efficiency, thereby bringing us closer to the realization of the Social System Industry. In these and all our endeavors, we look forward to your ongoing support.

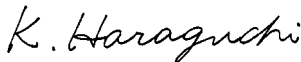
December 2007



Makoto Iida
Founder



Shohei Kimura
Chairman



Kanemasa Haraguchi
President and Representative Director

NONCONSOLIDATED BALANCE SHEETS

SECOM CO., LTD.
September 30, 2007 and 2006

ASSETS	In millions of yen		In thousands of U.S. dollars
	2007	2006	2007
Current assets:			
Cash on hand and in banks	¥ 74,793	¥130,125	\$ 650,373
Cash deposits for armored car services	63,369	—	551,034
Notes receivable	533	420	4,634
Due from subscribers	11,744	10,413	102,121
Accounts receivable, trade	5,493	6,088	47,765
Short-term investments	453	451	3,939
Inventories	7,293	7,118	63,417
Short-term loans to subsidiaries and affiliated companies	12,188	13,608	105,982
Other	12,930	11,781	112,434
Allowance for doubtful accounts	(526)	(1,414)	(4,573)
Total current assets	188,273	178,593	1,637,156
Fixed assets:			
Tangible assets:			
Buildings and improvements	22,158	22,606	192,678
Security equipment and control stations	63,201	62,483	549,573
Land	32,392	32,207	281,669
Other	7,576	8,600	65,878
Intangible assets:			
Telephone and telegraph utility rights	—	96	—
Software	4,361	5,103	37,921
Other	3,661	2,748	31,834
Investments and others:			
Investment securities	33,928	41,719	295,026
Investments in subsidiaries and affiliated companies	173,974	151,129	1,512,817
Long-term loans to subsidiaries and affiliated companies	57,899	49,520	503,469
Other	77,424	73,857	673,252
Allowance for doubtful accounts	(7,002)	(7,153)	(60,886)
Total fixed assets	469,575	442,919	4,083,260
Total assets	¥657,848	¥621,512	\$5,720,417

	In millions of yen		In thousands of U.S. dollars
LIABILITIES	2007	2006	2007
Current liabilities:			
Accounts payable.....	¥ 3,048	¥ 2,781	\$ 26,504
Bank loans	26,107	26,102	227,017
Payables—other.....	11,859	11,374	103,121
Accrued income taxes	15,404	14,750	133,947
Accrued consumption taxes	2,138	1,908	18,591
Accrued expenses	529	464	4,600
Deposits received.....	39,047	35,033	339,539
Deferred revenue.....	23,163	22,839	201,417
Accrued bonuses	5,904	5,740	51,339
Accrued bonuses to directors	49	49	426
Other.....	4,687	5,335	40,756
Total current liabilities.....	131,939	126,379	1,147,295
Long-term liabilities:			
Guarantee deposits received	18,094	18,354	157,339
Accrued pension and severance costs	5,286	5,504	45,965
Accrued retirement benefits for directors and corporate auditors.....	1,049	1,235	9,121
Total long-term liabilities.....	24,431	25,094	212,443
Total liabilities	156,370	151,473	1,359,739
NET ASSETS			
Shareholders' equity:			
Common stock	66,377	66,377	577,191
Capital surplus:			
Additional paid-in capital	83,054	83,054	722,208
Other capital surplus.....	1	1	8
Retained earnings:			
Legal reserve	9,028	9,028	78,504
Other retained earnings:			
Voluntary reserve.....	3,012	3,012	26,191
Accumulated earnings carried forward.....	382,070	350,877	3,322,347
Common stock in treasury, at cost.....	(44,862)	(44,833)	(390,104)
Total shareholders' equity	498,681	467,516	4,336,356
Valuation, translation adjustments and others:			
Unrealized gains on securities	2,795	2,522	24,304
Total valuation, translation adjustments and others	2,795	2,522	24,304
Total net assets	501,477	470,039	4,360,669
Total liabilities and net assets.....	¥657,848	¥621,512	\$5,720,417

NONCONSOLIDATED STATEMENTS OF INCOME

SECOM CO., LTD.

Six months ended September 30, 2007 and 2006

	In millions of yen		In thousands of U.S. dollars
	2007	2006	2007
Revenue.....	¥169,230	¥159,477	\$1,471,565
Costs.....	95,229	87,585	828,078
Gross profit.....	74,000	71,892	643,478
Selling, general and administrative expenses.....	36,206	35,185	314,834
Operating profit.....	37,793	36,706	328,634
Non-operating income.....	6,907	5,740	60,060
Non-operating expenses.....	2,255	2,416	19,608
Ordinary profit.....	42,445	40,030	369,086
Extraordinary profit.....	726	64	6,313
Extraordinary loss.....	520	55	4,521
Income before income taxes.....	42,651	40,040	370,878
Income taxes—current.....	15,385	14,480	133,782
Income taxes—deferred.....	164	403	1,426
Net income.....	¥ 27,101	¥ 25,156	\$ 235,660
Net income per share (yen and U.S. dollars).....	¥ 120.47	¥ 111.82	\$ 1.04
Average number of shares outstanding (thousands).....	224,968	224,976	

COMPOSITION OF NONCONSOLIDATED REVENUE

SECOM CO., LTD.

Six months ended September 30, 2007 and 2006

	In millions of yen		In thousands of U.S. dollars
	2007	2006	2007
Electronic security services.....	¥118,010	¥114,101	\$1,026,173
Other security services:			
Static guard services.....	12,656	10,785	110,052
Armored car services.....	8,165	8,457	71,000
Other.....	5,955	5,450	51,782
Total service charges.....	144,786	138,795	1,259,008
Sales of merchandise.....	24,443	20,682	212,547
Revenue.....	¥169,230	¥159,477	\$1,471,565

NONCONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

SECOM CO., LTD.
Six months ended September 30, 2007

In millions of yen

	Shareholders' equity					Valuation, translation adjustments and others	Total net assets
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total shareholders' equity		
Balance as of March 31, 2007	¥66,377	¥83,056	¥385,006	(¥44,850)	¥489,590	¥ 4,564	¥494,154
Changes during the period:							
Cash dividends.....			(17,997)		(17,997)		(17,997)
Net income			27,101		27,101		27,101
Purchase of treasury stock				(16)	(16)		(16)
Disposal of treasury stock		0		4	4		4
Net changes of items other than shareholders' equity						(1,769)	(1,769)
Total changes during the period....	—	0	9,104	(12)	9,091	(1,769)	7,322
Balance as of September 30, 2007	¥66,377	¥83,056	¥394,110	(¥44,862)	¥498,681	¥ 2,795	¥501,477

In thousands of U.S. dollars

	Shareholders' equity					Valuation, translation adjustments and others	Total net assets
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total shareholders' equity		
Balance as of March 31, 2007	\$577,191	\$722,226	\$3,347,878	(\$390,000)	\$4,257,304	\$39,686	\$4,296,991
Changes during the period:							
Cash dividends.....			(156,495)		(156,495)		(156,495)
Net income			235,660		235,660		235,660
Purchase of treasury stock				(139)	(139)		(139)
Disposal of treasury stock		0		34	34		34
Net changes of items other than shareholders' equity						(15,382)	(15,382)
Total changes during the period....	—	0	79,165	(104)	79,052	(15,382)	63,669
Balance as of September 30, 2007	\$577,191	\$722,226	\$3,427,043	(\$390,104)	\$4,336,356	\$24,304	\$4,360,669

NOTES TO NONCONSOLIDATED FINANCIAL STATEMENTS

SECOM CO., LTD.

1. Basis of Financial Statements

The accompanying nonconsolidated financial statements have been prepared in conformity with accounting practices ordinarily followed in connection with interim financial statements in Japan and translated from the financial statements that are prepared in Japanese and filed with the Prime Minister of Japan and the Tokyo Stock Exchange. Certain modifications as to the presentation of the accompanying financial statements were made to facilitate understanding by non-Japanese readers.

2. U.S. Dollar Amounts

U.S. dollar amounts are included solely for convenience and are stated, as a matter of arithmetical computation only, at the rate of ¥115=US\$1, the rate prevailing on the Tokyo Foreign Exchange Market on September 28, 2007.

DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

Directors

Founder:

Makoto Iida

Co-Founder:

Juichi Toda

Chairman:

Shohei Kimura

President and Representative Director:

Kanemasa Haraguchi

Executive Directors:

Seiichiro Kobayashi

Katsuhisa Kuwahara

Shuji Maeda

Shinobu Iida

Yasuo Nakayama

Koichi Sato

Directors:

Fumio Obata

Takayuki Ito

Corporate Auditors

Teruo Ogino

Ken Tsunematsu

Hiroshi Yasuda

Kohei Yamashita

Executive Officers

Kanemasa Haraguchi
*President and
Representative Director*

Katsuo Akiyama
Senior Managing Executive Officer

Seiichiro Kobayashi
Executive Director

Katsuhisa Kuwahara
Executive Director

Shuji Maeda
Executive Director

Shinobu Iida
Executive Director

Yasuo Nakayama
Executive Director

Koichi Sato
Executive Director

Yushiro Ito
Managing Executive Officer

Seiichi Mori
Managing Executive Officer

Seiji Sakamoto
Managing Executive Officer

Fumio Obata
Director

Hiroshi Ito
Executive Officer

Shunji Ogahara
Executive Officer

Kiyomasa Sugii
Executive Officer

Minoru Takaoka
Executive Officer

Yoshihiro Chino
Executive Officer

Mamoru Sasaki
Executive Officer

Tomoo Toya
Executive Officer

Hideo Morishita
Executive Officer

Tsuneo Komatsuzaki
Executive Officer

Kazuaki Anzai
Executive Officer

Takayuki Ito
Director

Ryohei Komatsu
Executive Officer



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