



Notice of Convocation

The 48th Ordinary General Meeting of Shareholders

The following is an English translation of the Notice of Convocation of the 48th Ordinary General Meeting of Shareholders of SECOM CO., LTD. to be held on June 25, 2009, except for the translation of the INSTRUCTION ON ONLINE VOTING and the ACCESS MAP FOR THE PLACE OF THE MEETING in the Notice. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

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(Note) This Table of Contents is for this abridged English translation only, and not the same as that in the original Japanese documents.

June 4, 2009

Notice of Convocation of The 48th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the 48th Ordinary General Meeting of Shareholders of SECOM CO., LTD. (the “Company”).

If you are unable to attend the aforesaid meeting, you are respectfully requested to review the “Reference Document Concerning the General Meeting of Shareholders” below and exercise your voting right on or before 6:00 p.m., Wednesday, June 24, 2009 (Tokyo time), by either of the methods stated below:

[By mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your consent or dissent to the proposals on the agenda, and return the form to the Company by mail so as to arrive us before the aforesaid deadline for the exercise of voting right.

[Via the Internet]

Please access the designated website for exercising voting rights (<http://www.evotep.jp/>) from your personal computers by using the “log in ID” and “temporary password” stated on the enclosed Voting Right Exercise Form. Then, please indicate your consent or dissent to the proposals on the agenda by following the instructions on the display screen.

Yours very truly,

SECOM CO., LTD.

5-1, Jingumae 1-chome, Shibuya-ku,
Tokyo, Japan

By: KANEMASA HARAGUCHI

President and Representative Director

(Note): Please note that shareholders with addresses outside Japan may not themselves use these voting procedures. For these shareholders please consult their standing agents within Japan as to the exercise of voting rights.

[English Translation]

PARTICULARS

1. **Date and Time of the Meeting:**

Thursday, June 25, 2009 at 10:00 a.m.

2. **Place of the Meeting:**

HARAJUKU QUEST HALL, on the 3rd floor of HARAJUKU QUEST Building
13-14, Jingumae 1-chome, Shibuya-ku, Tokyo, Japan

3. **Matters to be dealt with at the Meeting:**

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements for the 48th Fiscal Year (from April 1, 2008 to March 31, 2009) and the Results on the Audits of Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors.
2. Report on the Non-Consolidated Financial Statements for the 48th Fiscal Year (from April 1, 2008 to March 31, 2009).

Matters to be Resolved upon :

First Item of Business:	Proposed Distribution of Surplus
Second Item of Business:	Partial Amendments to the Articles of Incorporation
Third Item of Business:	Election of Eleven (11) Directors
Fourth Item of Business:	Presentation of Retirement Allowance to Retiring Director

4. **Matters related to Exercise of Voting Rights:**

(i) Non-uniform Exercise of Voting Rights

When the shares are owned by multiple owners but are registered in the name of a sole shareholder, each owner may want to exercise his/her voting rights independently from other owners. The law permits non-uniform exercise of voting rights by a registered shareholder in such a situation. In order to exercise non-uniform voting, the registered shareholder shall notify the Company to make non-uniform voting and the reason thereof 3 days before the general meeting of shareholders.

(ii) Validity of the voting in the event of exercise of voting rights by a shareholder both via return mail (Voting Right Exercise Form) and via the Internet

In the event that a shareholder exercises voting rights both via return mail (Voting Right Exercise Form) and via the Internet, the Company will consider the exercise of voting rights via the Internet to be valid.

(iii) Validity of the voting in the event of exercise of voting rights by a shareholder via the Internet more than once

In the event that a shareholder exercises voting rights via the Internet more than once, the Company will consider the last exercise of voting rights to be valid.

(Notes)

If you plan to attend the meeting, please submit the enclosed Voting Right Exercise Form to the receptionist at the meeting.

(Notice)

If there occurs any changes in the contents of the Reference Document Concerning the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements for the 48th Fiscal Year (from April 1, 2008 to March 31, 2009), the Results on the Audits of Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors, and the Non-Consolidated Financial Statements for the 48th Fiscal Year (from April 1, 2008 to March 31, 2009), the Company will announce such change on the Company's website (<http://www.secom.co.jp/>).

Attached Documents

Business Report

(Fiscal Year Ended March 31, 2009)

I. Outline of the Group's Business

1. The Current Business Development and Results of Operations

During the consolidated fiscal year ended March 31, 2009, Japanese economy continued to face adverse economic conditions. The first half saw steep increases in the prices of crude oil, raw materials and other resources as well as a continuation of the economic downturn. In the second half, the worldwide financial crisis caused stock market slumps and exchange rate fluctuations, whose effects rapidly spread to the real economy, resulting in deterioration of corporate profits, a decrease in private-sector capital investment, and a decline in personal consumption due to a worsening environment for employment and personal income.

In this economic environment, a recent recurring of violent crimes and rampant bank transfer scams has increased the diversity and sophistication of the safety and security needs of society. In these circumstances, the SECOM Group (the "Group") pursued the aim of building a "Social System Industry" to realize a "society in which people can live safely and peacefully everywhere at all times". To that end, we strove to provide high-quality services and products adapted to customer needs in the core Security Services business as well as in the Fire Protection Services, Medical Services, Insurance Services, Geographic Information Services, Real Estate Development and Sales, Information and Communication Related and Other businesses.

As a result, consolidated revenue in the current fiscal year decreased by 0.6% year-on-year to Yen 678.4 billion, reflecting lower revenue from the Real Estate Development and Sales and Information and Communication Related and Other businesses. Consolidated operating profit decreased by 16.3% to Yen 87.6 billion and consolidated ordinary profit fell by 20.4% to Yen 90.9 billion, owing to a decrease in the prices of condominiums and loss on revaluation of real estate inventories held by the Real Estate Development and Sales business. Consolidated net income decreased by 65.0% to Yen 21.5 billion owing to factors including a Yen 20.6 billion loss on impairment of investment securities by the Company, Secom General Insurance Co., Ltd. and Nohmi Bosai Ltd.; a Yen 2.4 billion provision for reserve for litigation losses by Pasco Corporation; a Yen 1.0 billion loss on settlement of litigation by Secom General Insurance Co., Ltd.; and the decision to forgo the recognition of a portion of deferred tax assets.

[English Translation]

(Millions of Yen)

	Consolidated revenue	Consolidated operating profit	Consolidated ordinary profit	Consolidated net income
Current Fiscal year (2008)	678,400	87,634	90,924	21,502
Previous fiscal year (2007)	682,619	104,706	114,278	61,506

A breakdown by business segments are as follows:

In Security Services business, we concentrated on centralized systems (online security systems) for business facilities and private residences, static guard services, armored car services and sales of security products.

With regard to Security Service business for business facilities, we strove to promptly propose security services and security products accommodating to customer needs and stepped up sales activities such as customer visits. In the home security business, we are rigorously engaged in sales activities to accurately respond to customer wants and needs thereby increasing the number of SECOM Home Security contracts. We undertook customer service improvements by upgrading and expanding security services and security products that can be connected to online SECOM Home Security systems, such as the new Home Fire Sensor, which complies with the revised Fire Service Act, and the provision of SECOM Home Service, a suite of lifestyle support services for SECOM Home Security customers.

As a result of these operations, revenue rose 0.5% year-on-year to Yen 427.9 billion, while operating profit decreased by 3.2% to Yen 103.5 billion due to the cost increment for service quality improvements.

In Fire Protection Services, we supplied a wide range of highly qualified fire protection systems satisfying needs of customers, including automatic fire alarm systems and fire extinguishing systems for a variety of environments, such as office buildings, plants, tunnels, cultural properties, ships, and residences. Also we concentrated to expand sales of fire alarm device for residence, which has become mandatory requirement by revised Fire Service Act, and renewal of fire protection systems accompanied by renovation in commercial and other facilities, taking advantage of a wealth of installation expertise and relationship with customers developed over many years. As a result, revenues of Fire Protection Services increased 1.9% year-on-year to Yen 84.1 billion and operating profit rose by 12.3% year-on-year to Yen 5.7 billion.

In Medical Services, we supplied our core medical services such as home nursing services and pharmaceutical dispensing and delivery services, the operation of nursing homes, remote image diagnosis support services, electronic medical report systems,

[English Translation]

sales of medical equipment and devices, personal care services and real estate leasing for medical institutions. Revenue in this segment increased by 1.1% year-on-year to Yen 35.2 billion, and operating profit rose 5.9% to Yen 1.6 billion over the previous year.

In the Insurance Services, we concentrated on sales of insurance policies that are characteristic of the Group, including Security Discount Fire Policy for commercial facilities, the comprehensive fire insurance policies, SECOM *Anshin* My Home, for residences, the comprehensive automobile insurance policy, New SECOM *Anshin* My Car, that includes an on-site emergency services by SECOM's emergency response personnel in the event of an accident, and MEDCOM, an unrestricted cancer treatment policy aimed at helping patients overcome cancer by giving access to the best treatments. As a result, revenue of insurance services rose 7.7% year-on-year to amount to Yen 30.3 billion due to a rise in net premiums written and an improvement in investment income. Operating loss was Yen 0.3 billion, compared with a loss of 2.4 billion in the previous consolidated fiscal year, reflecting a decrease in provision for reserve for natural disasters.

In Geographic Information Services, we are engaged in the most advanced GIS (Geographic Information System)-based operation support services for national and local governments and private sectors. We are able to collect and supply geographic information in a speedy and precise manner, utilizing satellite images regardless of the time of day or the weather. Revenue of Geographic Information Services rose 2.1% year-on-year to Yen 40.2 billion. Operating profit grew 39.3% year-on-year to Yen 1.8 billion with efforts of renovation in production process, efficient management, and cost reduction.

In the Real Estate Development and Sales, we develop and sell condominiums that place emphasis on security. Amid a slump in the market for condominiums, we actively promoted sales and sharply reduced inventories of real estate for sale by appropriate discounting. We implemented a flexible sales strategy with regard to real estate for sale in process, deciding on the basis of comprehensive consideration of the characteristics of individual properties such as temporarily suspending development of properties with good sales prospects in a near future or ceasing to develop properties with unfavorable sales prospects. As a result, revenue from this segment decreased by 26.2% year-on-year to Yen 22.0 billion. Operating loss was Yen 16.7 billion opposed to an operating profit of Yen 1.0 billion in the previous fiscal year due to lower revenue and a Yen 8.3 billion loss on revaluation of real estate inventories. Meanwhile, the Group established a new business segment, Real Estate Development and Sales business in the current fiscal year, formerly included in Information and Communication Related and Other Services, owing to the substantial decline in operation profit. We have separated it out as an independent business segment beginning from the current fiscal year.

[English Translation]

Information and Communication Related and Other Services covers information and communication related services and real estate leasing, etc. We endeavored to offer comprehensive information network services, focusing on information security and disaster response services. As a result, revenue decreased to Yen 38.3 billion, down 8.1% from the previous fiscal year. However, operating profit increased by 10.6% year-on-year to Yen 4.4 billion, by higher sales from high-margin businesses.

Sales by Business Segment (48th Fiscal Year – current consolidated fiscal year)

(Millions of Yen)

Business segment	Revenue			Operating profit (loss)
	Customers	Inter-segment	Total	
Security Services	427,989	9,077	437,067	103,517
Fire Protection Services	84,174	5,658	89,833	5,706
Medical Services	35,226	123	35,349	1,654
Insurance Services	30,396	2,919	33,315	(333)
Geographic Information Services	40,206	117	40,323	1,816
Real Estate Development and Sales	22,072	2,360	24,432	(16,709)
Information and Communication Related and Other Services	38,333	8,863	47,197	4,426
Total	678,400	29,119	707,520	100,077
Eliminations and Corporate items	-	(29,119)	(29,119)	(12,443)
Consolidated revenue	678,400	-	678,400	87,634

With respect to the results by geographical area, revenue in Japan decreased by 0.4% year-on-year to Yen 658.0 billion, and operating profit decreased by 15.0% to Yen 98.2 billion. In other regions, although revenue from subsidiaries that provide security services increased on a local currency basis owing to efforts to reinforce the business structures in Southeast Asia, China and other areas where economic development continues, revenue translated in Yen decreased by 6.7% year-on-year to Yen 20.3 billion because of the impact of Yen appreciation. Nevertheless, operating profit increased by 15.6% to Yen 1.1 billion.

2. Issues the Group Has to Cope with

As society undergoes constant change, people's demand for security and safety increases, and such demand shows diversification and sophistication.

In view of this situation, the Secom Group is aiming to realize a "Social System Industry" through providing various services and products, in Security Services, Fire Protection Services, Medical Services, Insurance Services, Geographic Information Services, Real Estate Development and Sales, and Information and Communication

[English Translation]

Related and Other Services, that can help realize more secured, convenient, and comfortable society. Moreover, by combining these services and products, the Group endeavors to create and supply unique services and products, which are realized only through such combination. To this end, we are striving to provide customer-oriented services and high-quality systems that can earn the trust of our customers. Moreover, we are working to provide comprehensive services, maximizing the SECOM Group capabilities. We are also continually improving operations throughout the Group to enhance management efficiency.

We look forward to the support of our shareholders in these and all of our endeavor.

3. Capital Investments

Capital investment for the current fiscal year totaled Yen 48.6 billion (a breakdown is given below). A major portion, Yen 33.9 billion, was in system investments (including those for security equipment and control stations), etc. in the Security Services business.

Business segment	(Millions of Yen)
Security Services	33,920
Fire Protection Services	1,784
Medical Services	1,959
Insurance Services	1,993
Geographic Information Services	1,037
Real Estate Development and Sales	25
Information and Communication Related and Other Services	10,850
Subtotal	51,570
Eliminations and Corporate items	(2,883)
Total	48,687

4. Fund Raising

During the current fiscal year, no funds were raised by the Group in capital markets through the issuance of corporate bonds or new shares.

5. Trends in Earnings and Assets

(1) Trends in Earnings and Assets of the Group

(Millions of Yen except for net income per share)

Fiscal years Category	45th fiscal year (4/1/2005– 3/31/2006)	46th fiscal year (4/1/2006– 3/31/2007)	47th fiscal year (4/1/2007– 3/31/2008)	48th fiscal year (current fiscal year) (4/1/2008– 3/31/2009)
Revenue	567,315	613,976	682,619	678,400
Operating profit	94,109	97,840	104,706	87,634
Ordinary profit	96,669	102,720	114,278	90,924
Net income	52,994	58,299	61,506	21,502
Net income per share (Yen)	234.28	259.14	273.40	96.69
Total assets	1,149,377	1,169,182	1,202,840	1,090,483
Net assets	496,164	601,116	630,274	582,608

(2) Trends in Earnings and Assets of the Company

(Millions of Yen except for net income per share)

Fiscal years Category	45th fiscal year (4/1/2005 - 3/31/2006)	46th fiscal year (4/1/2006 - 3/31/2007)	47th fiscal year (4/1/2007 - 3/31/2008)	48th fiscal year (current fiscal year) (4/1/2008 - 3/31/2009)
Revenue	313,096	326,076	337,611	336,893
Operating profit	72,172	73,404	74,155	72,616
Ordinary profit	70,964	76,583	79,187	78,346
Net income	43,879	47,245	50,046	32,414
Net income per share (Yen)	194.58	210.00	222.46	145.76
Total assets	643,990	654,791	673,043	679,858
Net assets	461,646	494,154	521,529	504,932

In the current fiscal year, the Company's revenue decreased 0.2% year-on-year to Yen 336.8 billion, operating profit fell by 2.1% to Yen 72.6 billion, ordinary profit decreased by 1.1% to Yen 78.3 billion, and net income

decreased by 35.2% to Yen 32.4 billion. Net income per share was Yen 145.76 from Yen 222.46 for the previous fiscal year.

Contract revenue accounted for 87.4% of total revenue, or Yen 294.3 billion, and product and equipment sales accounted for 12.6% of total revenue, or Yen 42.5 billion.

Revenue from centralized system contracts, which is the core of revenue and profit in contract revenue, grew steadily, totaling Yen 241.6 billion and accounting for 71.7% of total revenue. Static guard contracts generated revenue of Yen 25.8 billion, and revenue from armored car services came to Yen 17.4 billion. The remaining contract revenue amounted to Yen 9.5 billion, of which the majority came from fees paid by subsidiaries and other companies for advisory services.

Product sales totaled Yen 30.9 billion, 9.2% of total revenue, and equipment sales to subsidiaries and other companies totaled Yen 11.5 billion, 3.4% of total revenue.

We put cost control measures in place to reduce sales and administrative expenses materially. However, due to increase of costs for service quality improvements, operating profit recorded Yen 72.6 billion.

Non-operating income was Yen 9.7 billion, which included interest and dividends received, while non-operating expenses, made up of expenses such as interest paid and losses on the sales and disposal of fixed assets, totaled Yen 3.9 billion. Therefore, ordinary profit was Yen 78.3 billion.

In addition, the Company recorded extraordinary losses of Yen 27.0 billion, including loss on impairment of subsidiaries' and affiliates' securities of Yen 14.1 billion. As a result, net income came to Yen 32.4 billion.

Earnings by Business Category of the Company

Fiscal years Category		46 the fiscal year (4/1/2006-3/31/2007)			47th fiscal year (4/1/2007-3/31/2008)			48th fiscal year (Current fiscal year) (4/1/2008-3/31/2009)		
		Amount (millions of Yen)	%	Change (%)	Amount (millions of Yen)	%	Change (%)	Amount (millions of Yen)	%	Change (%)
Contract revenue	Centralized systems	231,176	70.9	3.4	238,507	70.6	3.2	241,618	71.7	1.3
	Static guard services	22,561	6.9	3.1	25,480	7.6	12.9	25,809	7.7	1.3
	Armored car services	17,182	5.3	4.6	16,684	4.9	(2.9)	17,456	5.2	4.6
	Other	11,326	3.5	2.6	10,676	3.2	(5.7)	9,502	2.8	(11.0)
	Subtotal	282,247	86.6	3.4	291,350	86.3	3.2	294,386	87.4	1.0
Sales	Product	29,533	9.0	1.7	31,905	9.4	8.0	30,987	9.2	(2.9)
	Equipment	14,295	4.4	27.8	14,355	4.3	0.4	11,518	3.4	(19.8)
	Subtotal	43,829	13.4	9.0	46,261	13.7	5.5	42,506	12.6	(8.1)
Total		326,076	100.0	4.1	337,611	100.0	3.5	336,893	100.0	(0.2)

6. Matters Concerning Principal Subsidiaries

Company name	Issued capital	Percentage of ownership (percentage of voting rights)	Principal business activity
Secom Joshinetsu Co., Ltd.	(Millions of Yen) 3,530	(%) 50.87 (50.88)	Security, safety
Secom Techno Service Co., Ltd.	(Millions of Yen) 2,357	(%) 67.79 (67.83)	Installation and maintenance of security systems
Secom Industries Co., Ltd.	(Millions of Yen) 499	(%) 100.00 (100.00)	Manufacture of security system equipment
Nohmi Bosai Ltd.	(Millions of Yen) 13,302	(%) 50.36 (50.92)	Comprehensive fire protection services
Secom Medical System Co., Ltd.	(Millions of Yen) 6,545	(%) 100.00 (100.00)	Remote image diagnosis support services and home medical services

[English Translation]

Secom General Insurance Co., Ltd.	(Millions of Yen) 14,558	(%) 95.83 (96.23)	Non-life insurance
Pasco Corporation	(Millions of Yen) 8,758	(%) 69.84 (73.06)	Surveying, measuring and geographic information system services
Secom Trust Systems Co., Ltd.	(Millions of Yen) 1,468	(%) 100.00 (100.00)	Information security services and software development
The Westec Security Group, Inc.	(US\$) 301	(%) 100.00 (100.00)	Holding company in the U.S.
Secom Plc	(Thousands of UK pounds) 39,126	(%) 100.00 (100.00)	Security business in the U.K.

(Notes)

1. The percentages of ownership (percentages of voting rights) are truncated to two decimal places.
2. The percentages of ownership (percentages of voting rights) for Secom Joshinetsu Co., Ltd., Secom Techno Service Co., Ltd. and Nohmi Bosai Ltd. include those owned by the Company's subsidiaries.
3. Secom General Insurance Co., Ltd. issued new shares of stock to a third party (cash contribution) in December 2008, resulting in an increase in capital from Yen 8,093 million to Yen 14,558 million. (Following the increase in capital, the Company's percentage of ownership rose from 89.62% to 95.83%)

7. Principal Business of the Group

The principal business activities of the Group are as follows: Security Services centering on contracted security services; Fire Protection Services centering on comprehensive fire protection services; Medical Services, including home medical services and remote image diagnosis support services; Insurance Services consisting mainly of non-life insurance; Geographic Information Services that mainly entails the provision of surveying and measurement operations; Real Estate Development and Sales centering development and sales of security-conscious condominiums to household family; and Information and Communication Related and Other Services including security network services, services for the development and operation of business systems and information security services.

8. Principal Offices of the Group

(i) Headquarters of the Company:

5-1, Jingumae 1-chome, Shibuya-ku, Tokyo.

(ii) Regional Headquarters:

Hokkaido (Sapporo City), Tohoku (Sendai City), West Kanto (Saitama City), East Kanto (Chiba City), Tokyo (Bunkyo-ku, Tokyo), Metropolitan Static Guard Service (Shinjuku-ku, Tokyo), Metropolitan Armored Car Service (Shibuya-ku, Tokyo), Kanagawa (Yokohama City), Shizuoka (Shizuoka City), Chubu (Nagoya City), Osaka (Osaka City), Kansai Static Guard Service (Osaka City), Kinki (Kyoto City), Hyogo (Kobe City), Chugoku (Hiroshima City), Shikoku (Takamatsu City), Kyushu (Fukuoka City).

(iii) Domestic Subsidiaries

Secom Joshinetsu Co., Ltd. (Niigata City), Secom Techno Service Co., Ltd. (Nakano-ku, Tokyo), Secom Industries Co., Ltd. (Shiroishi City, Miyagi), Nohmi Bosai Ltd. (Chiyoda-ku, Tokyo), Secom Medical System Co., Ltd. (Shibuya-ku, Tokyo), Secom General Insurance Co., Ltd. (Chiyoda-ku, Tokyo), Pasco Corporation (Meguro-ku, Tokyo), Secom Home Life Co., Ltd. (Shibuya-ku, Tokyo), Secom Trust Systems Co., Ltd. (Shibuya-ku, Tokyo), Arai & Co., Ltd. (Shibuya-ku, Tokyo).

(iv) Overseas Subsidiaries

The Westec Security Group, Inc. (Dover, Delaware, USA), Secom Plc (Kenley, Surrey, UK), Secom (China) Co., Ltd. (Beijing, China).

9. Matters Concerning Employees of the Group and the Company

(1) Matters Concerning Employees of the Group

Number of employees	Increase from the end of the previous fiscal year
34,078	1,883

(2) Matters Concerning Employees of the Company

Number of employees	Increase from the end of the previous fiscal year	Average age	Average years of service
14,092	701	38.8	12.1

Note: The number of employees refers to the number of full-time employees. Part-time or temporary employees are not included.

10. Primary Lenders

Lenders	Balance at the end of the fiscal year
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	(millions of Yen) 29,602
Mizuho Bank, Ltd.	(millions of Yen) 22,927
Mitsubishi UFJ Trust and Banking Corp.	(millions of Yen) 15,678
Sumitomo Mitsui Banking Corp.	(millions of Yen) 12,905

11. Other Important Matters Concerning the Group

In July 2004, Fujitsu Limited filed a lawsuit against Secom General Insurance Co., Ltd. in the Tokyo District Court, claiming compensation for costs related to a systems development order in the amount of Yen 2,500 million. Secom General Insurance Co., Ltd. is not only contesting this lawsuit on the grounds that it is without merit, but has also filed a countersuit claiming damages in the amount of Yen 1,000 million. However, on January 16, 2009 Secom General Insurance Co., Ltd. resolved the matter by reaching a settlement involving the payment to Fujitsu Limited in the amount of Yen 1,000 million, which was paid on January 30, 2009.

Pasco Corporation filed a lawsuit against Sumitomo Mitsui Banking Corporation for a confirmatory judgment to the effect that it does not owe an obligation in the amount of Yen 2,010 million to Sumitomo Mitsui Banking Corporation with the Tokyo District Court on October 31, 2005. Sumitomo Mitsui Banking Corporation alleged that it made a loan to a third party and acquired from the third party its claim against Pasco Corporation for an alleged sale of equipment to Pasco Corporation, as collateral for the loan, and demanded Pasco Corporation to pay such claim to Sumitomo Mitsui Banking Corporation. Furthermore, on December 5, 2005, Sumitomo Mitsui Banking Corporation brought a cross action against Pasco Corporation in relation to a demand for payment of a transferred receivable. Subsequently, both actions were consolidated according to a court procedure. The oral argument was concluded on October 31, 2008, and on March 27, 2009 Tokyo District Court rendered the following judgment;
(Contents of decision)

[English Translation]

1. Pasco Corporation must pay money for Sumitomo Mitsui Banking Corporation in an amount of Yen 2,010 million as well as interest of the rate of 6 percent per annum on Yen 600 million, from November 1, 2005, and on Yen 1,409 million, from December 1, 2005, up to the full payment of the respective amounts;
2. Pasco Corporation incurs the cost of lawsuits including the cost caused by supplementary participation; and
3. The judgment can be provisionally executed.

Pasco Corporation appealed the case to the Tokyo High Court on April 6, 2009. Pasco Corporation has provided reserve for litigation losses of Yen 2,415 million based on the judgment.

II. Matters Concerning the Company's Shares and Shareholders

- 1. Total Number of Shares to be Issued:** 900,000,000
- 2. Total Number of Issued Shares:** 233,288,717
(including 15,251,520 shares of treasury stock held by the Company)
- 3. Number of Shareholders at the End of the Fiscal Year:** 30,859
- 4. Number of Shares in a Unit:** 100 shares

5. Major Shareholders

No shareholder holds 10% or more of the total issued shares (excluding treasury stock). The principal shareholders and information about their respective ownerships in the Company are shown in the table below.

Shareholders	Investment in the Company	
	Number of shares held (Thousands of shares)	Percentage of ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,762	7.22
Japan Trustee Services Bank, Ltd. (Trust Account)	15,449	7.08
The State Street Bank and Trust Company	14,996	6.87
Japan Trustee Services Bank, Ltd. (Trust Account 4 G)	10,303	4.72
The Master Trust Bank of Japan, Ltd. (Retail Trust Account 820079214)	6,153	2.82
Makoto Iida	4,320	1.98
The Nomura Trust and Banking Co., Ltd. (Trust Account 2052088)	4,148	1.90
SECOM Science and Technology Foundation	4,025	1.84
Trust & Custody Services Bank, Ltd. (Security Investment Trust Account)	3,990	1.83
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,196	1.46

(Notes)

- The percentage of ownership is calculated on the basis of the total number of shares outstanding after excluding treasury stock (15,251,520 shares). The percentage of ownership is truncated to two decimal places.

[English Translation]

2. In the case of the above trust banks, banking business-related shares and trust service-related shares are registered under different register names. Therefore, the number of shares held under the register name of banking business is registered separately. .

6. Other Important Matters Concerning Shares

To enhance the return to shareholders and to attain flexible capital policy in the changing business environment, between November 6, 2008 and December 22, 2008, the Company acquired 6,923,400 shares for Yen 29,999 million in total, based on the resolution of the Board of Directors held on November 5, 2008.

III. Directors and Corporate Auditors

1. Names and Titles of Directors and Corporate Auditors

Position	Name	Field of responsibility, representation of other companies and important other posts
Director	Makoto Iida	Supreme Advisor
Director	Juichi Toda	Supreme Advisor
Chairman and Director	Shohei Kimura	Chairman of the Tokyo Security Service Association, Outside Corporate Auditor of Secom General Insurance Co., Ltd.
President and Representative Director	Kanemasa Haraguchi	Executive Officer, Outside Director of Secom Joshinetsu Co., Ltd.
Executive Director	Seiichiro Kobayashi	Executive Officer (in charge of liaison), President and Representative Director of Secom Home Life Co., Ltd.
Executive Director	Katsuhisa Kuwahara	Executive Officer (general manager of finance division)
Executive Director	Shuji Maeda	Executive Officer (in charge of research and development and business development, general manager of technology development division, general manager of environment division), Outside Director of Nohmi Bosai Ltd.
Executive Director	Yasuo Nakayama	Executive Officer (in charge of general affairs)
Executive Director	Koichi Sato	Executive Officer (in charge of liaison), President and Representative Director of Secom Joshinetsu Co., Ltd.
Director	Fumio Obata	Executive Officer (in charge of Medical services), President and Representative Director of Secom Medical System Co., Ltd.
Director	Takayuki Ito	Executive Officer (in charge of management control of the Group companies), Outside Corporate Auditor of Secom Joshinetsu Co., Ltd.
Corporate Auditor	Teruo Ogino	Full-time Corporate Auditor
Corporate Auditor	Ken Tsunematsu	Attorney-at-law, Advisor of Nagashima Ohno & Tsunematsu, Managing Chairman of SECOM Science and Technology Foundation
Corporate Auditor	Hiroshi Yasuda	President and Director of Yasuda Gakuen Kyoikukai
Corporate Auditor	Kohei Yamashita	President and Representative Director of Kokyo Tatemono Co., Ltd.

[English Translation]

(Notes)

1. Messrs. Ken Tsunematsu, Hiroshi Yasuda and Kohei Yamashita are Outside Corporate Auditors as stipulated in Article 2 Item 16 of the Companies Act.
2. The Corporate Auditor, Mr. Teruo Ogino had been in charge of the Company's financial affairs for 11 years and has considerable knowledge of finance and accounting matters.
3. The Corporate Auditor, Mr. Ken Tsunematsu, has for many years been involved in securities issuance businesses for domestic and overseas companies, public institutions and organizations as a lawyer. He has experienced in the analysis and evaluation of the financial statements of these issuers, and has considerable knowledge of finance and accounting matters.
4. Movement in Directors during the current fiscal year
Director Shinobu Iida resigned at the expiration of the term at the close of the 47th ordinary general shareholders' meeting held on June 26, 2008.

2. Remuneration of Directors and Corporate Auditors

	Number of Recipients	Combined total of remuneration (millions of Yen)
Directors	12	492
Corporate Auditors	4	44
Total	16	537

(Notes)

1. Of the above, the remuneration for the 3 outside Corporate Auditors' total combined remuneration is Yen 24 million.
2. Included in the above total amount of remunerations are the Directors' bonuses of Yen 68 million paid for the current fiscal year.
3. The total amount of Remuneration of Directors and Corporate Auditors shown above includes Yen 49 million (Yen 47 million to Directors and Yen 1 million to Corporate Auditors (including Yen 0 to outside Corporate Auditors), respectively) as accrued retirement benefits for Directors and Corporate Auditors, which were appropriated in the current fiscal year.
4. The total amount of Remuneration of Directors shown above includes amount paid to Director who retired at the conclusion of the 47th ordinary general meeting of shareholders held on the June 26, 2008.
5. In addition to the above, retirement benefits of Yen 29 million was paid to the Director who retired at the conclusion of the 47th ordinary general meeting of shareholders held on the June 26, 2008.(which includes the retirement allowance approved by a past general meeting of shareholders and an amount of accrued retirement benefit that has been already disclosed).

[English Translation]

3. Outside Corporate Auditors

Name	Attendance of the Board of Directors	Attendance of the Board of Auditors	Main Activities
Ken Tsunematsu	13 (out of 13)	11 (out of 11)	He primarily offered advice and suggestions in order to ascertain the validity or appropriateness of the Board of Directors' decision making from the perspective of complying with laws and ordinances and the Articles of Incorporation.
Hiroshi Yasuda	12 (out of 13)	11 (out of 11)	He offered advice and suggestions based on his ample experience of company management and directorships gained from previously held positions. He also asked questions and stated opinions in order to clarify unclear issues. In addition, with respect to the meetings for which he was absent, he received from the full-time Corporate Auditor detailed reports on the resolutions of the meetings so as to remain fully informed.
Kohei Yamashita	13 (out of 13)	11 (out of 11)	He offered advice and suggestions based on his ample experience of managing a global corporation. He also asked questions and stated opinions in order to clarify unclear issues.

IV. Accounting Auditors

1. Name of Accounting Auditors

KPMG AZSA & Co.

2. Remuneration of Accounting Auditors

(1) Remuneration for duties relating to Article 2 Paragraph 1 of Certified Public Accountants Law to be paid by the Company	Yen 200 million
(2) Total cash and other remuneration to be paid by the Company and subsidiaries to the accounting auditors	Yen 555 million

(Notes)

1. Based on the audit contract between the Company and the accounting auditors, the remuneration paid to auditors is not distinguished between those as the auditors under the Companies Act and those as the auditors under the Financial Instruments and Exchange Act, and furthermore they cannot in fact be distinguished, and therefore the amount given in (1) is the combined total of these amounts.

2. Of the major subsidiaries of the Company, The Westec Security Group Inc. is audited by PricewaterhouseCoopers LLP and Secom Plc by KPMG LLP.

3. Non-Audit Duties

Not Applicable

4. Policy for Decision for Dismissal or Non-reappointment

Whenever there occurs any material event which could be a substantial hazard to the performance of audit duties of the Company, such as a case when it is deemed that the accounting auditors have come to fall within the purview of Article 340 Paragraph 1 of the Companies Act or the accounting auditors or the firm of accounting auditors is subjected to the disposition of suspension of business by the supervisory authorities, the Board of Corporate Auditors will examine the situation, and, when all the Corporate Auditors have consented thereto, the Corporate Auditor will take action for the dismissal of the subject accounting auditors or the subject firm of accounting auditors. In such case, the Corporate Auditor selected by the Board of Corporate

[English Translation]

Auditors will report the reasons for the dismissal at the general meeting of shareholders convened for the first time after such dismissal.

In any other case, when there exists any situation where it is acknowledged that the accounting auditors are not fit to act as accounting auditors, a proposal will, with the consent of the Board of Corporate Auditors, be submitted to the general meeting of shareholders for the dismissal or non re-appointment of the accounting auditors.

V. System under which the Company's Business is Ensured to be Properly Executed

1. Basic Policy regarding Internal Control System

The Company's basic policy regarding the internal control system, i.e. the "system under which execution of duties by Directors is ensured to comply with laws and regulations and the Articles of Incorporation, and the system under which the Company's business is ensured to be properly executed" resolved on and approved by the Board of Directors is set out below. (revised latest on August 30, 2007)

(1) General

This resolution manifests the basic policy regarding the internal control system of the Company to be specifically established by the President and Representative Director based on Article 362, Paragraph 5 of the Companies Act.

The internal control system based on this resolution shall be established urgently by officers in charge, and shall be constantly reviewed and improved.

(2) System under which execution of duties by Directors and employees is ensured to comply with laws and regulations and the Articles of Incorporation.

- (i) In order to ensure even more thorough compliance with laws and ordinances and the Articles of Incorporation in the execution of duties, the Company has integrated its compliance manual with *SECOM Group Code of Employee Conduct*, which sets key ethical standards to be followed, and at the same time, it has conducted a review of manuals on critical laws. *SECOM Group Code of Employee Conduct* is based on the philosophy of SECOM, which we have followed since the establishment of the business. These ethical guidelines prescribe ideals covering the official and private affairs of all executives and employees and action standards (including the blocking relationships with anti-social forces) to be followed in the execution of specific daily duties. As such, these guidelines provide the basis of all actions. The compliance management system is as follows.

(Ensuring compliance)

From the start, the compliance of laws and ordinances has been an indispensable requirement of our business, and we have always sought to operate in strict adherence to this spirit. Therefore, compliance is a part of the company's daily routines, which should not require a system in which a specific section or manager is responsible for implementation. Each and every employee is at the front line of promoting the code of conduct, including legal compliance. The implementation of guidelines is carried out by the line managers of the organization. Further control is provided by the executive officers in charge of departments under their control, with the President and Representative Director providing companywide control.

(Executive officers in charge)

The executive officers in charge of each area are responsible for having thorough knowledge particularly of regulations related to their duties and the relationships of such regulations with their own operations. They are responsible for proposing responses to any revisions of laws to the President and Representative Director. The Legal Affairs Department supports them, providing cross-organizational coordination.

(Inspection)

Following the orders of the President and Representative Director, the Audit and Compliance Department provides cross-organizational inspection in a timely manner, indicating how to improve morale through observance and at the same time pointing out matters that need correction. The findings of the inspection are reported promptly to the President and Representative Director.

(Internal Report System)

When executives and employees of the company become aware of unethical actions, they have the obligation to report such actions to the proper superior without hesitation. A "Hot Helpline" has been established to facilitate contact with the Audit and Compliance Department if corrective actions are not taken even after reporting to superiors or it is difficult to report. Such reports will remain strictly confidential, preventing any harm to the reporter, and any necessary investigation and appropriate measures will be taken promptly.

(Organizational Culture Committee)

The Company establishes a standing, active Organizational Culture Committee, chaired by the President and representative Director. The Organizational Culture Committee examines important organizational culture-related issues (including compliance-related items), which are the cornerstone of developing and maintaining the corporate organization, and determines important official commendations and punishments.

(ii) Revisions of *SECOM Group Code of Employee Conduct* and/or critical compliance-related matters are undertaken after discussion with the Organizational Culture Committee and subject to the approval of the Board of Directors after obtaining opinions of the Corporate Auditors.

(iii) Basic plans and policies concerning internal controls related to financial reporting are determined in accordance with the standards of the Business Accounting Council. Furthermore, an internal control system is being developed by reinforcing information security and through other steps.

(3) System under which information regarding execution of business by Directors shall be maintained and controlled.

(i) Documents and other information regarding execution of duties such as those concerned with decision making (hereinafter referred to as the “information on executing duties”) shall be properly maintained, administered (including destruction) pursuant to the Document Administration Regulation of the Company, which will be amended upon reviewing the operating conditions if necessary.

(ii) Information on executing duties shall be recorded on database with necessary information protection measure so that a search system can be established to enable quick search as to whether or not the particular document exists or the condition of storage of the particular document.

(iii) Any business related to the preceding two paragraphs shall be undertaken by officers in charge, and in particular the status of examination and review of (i) above, and operation and management of the database of (ii) above shall be reported to the President and Representative Director, the Board of Directors, and the Board of Corporate Auditors.

(iv) Establishment and important amendments of the Regulation regarding (i) above shall be subject to approval of the Board of Directors after obtaining opinions of Corporate Auditors.

(4) Regulation regarding control of risk of loss and other system

(i) We will review the Company's risk control regulations, and each organization corresponding to each risk shall constantly monitor the risks to the full extent and, in addition, an officer in charge of each specified risk shall be appointed. The officer in charge shall, pursuant to the risk control regulations, be responsible to: (1) forecast and classify the risk, (2) develop a system for emergency by which appropriate information shall be transmitted promptly and appropriately in case of emergency, and (3) in cooperation with the Audit and Compliance Department, audit the conditions of daily control of risks.

(ii) The officer in charge shall report the President and Representative Director, the Board of Directors and the Board of Corporate Auditors on matters related to control of risk.

(iii) Any important changes of the risk control regulations shall be subject to approval of the Board of Directors after obtaining opinions of Corporate Auditors.

The Company's risks shall be classified as follows:

- Large scale calamity risk (System risk)
- Security accident risk
- Accounting treatment and clerical work risk
- Compliance risk
- Others

(5) System by which efficient execution of duties of Directors shall be ensured

(i) All Directors of the Company shall carry out operation and execution of business on the basis of the "Constitution of SECOM's Business and Operation" so that they may share the idea essential to execution of the duties such as decision making for management by the Board of Directors, decision making for execution of duties by the Directors.

- (ii) On the basis of the preceding, to implement execution of duties efficiently, the system of executive officers has been introduced so that decision making and execution of business shall be further facilitated.
- (iii) In executing duties, in order to unify the power of the entire Company, a system utilizing IT should be established and thereby, enabling an information to be immediately disseminated to the entire Company to the fullest extent.
- (iv) With respect to particular decision making or execution of duties, a system utilizing IT should be established to carry out the decision making and execution immediately and definitely.
- (v) The Company will share the medium- and long-term business vision, and for the purpose of accomplishment thereof, the Board of Directors will design an annual business plan and deliberate progress of the plan in each month.

(6) System under which the Company and the Company Group consisting of the parent company and subsidiaries is ensured to properly execute its business

- (i) Abiding by the "Constitution of SECOM's Business and Operation," each of the companies of the SECOM Group shares *SECOM Group Code of Employee Conduct*, which applies to all executives and employees. United by these guidelines, the executives and employees work to accomplish the corporate goals in an appropriate manner.
- (ii) The "Basic Rules for SECOM Group Corporate Management" provide guidelines to enhance Group synergy, leading to the achievement of the business vision by the entire SECOM Group. Covering critical decision-making by the companies, these basic rules clarify the coordination of items to be approved in prior consultation with the parent company and ensure the acknowledgement of such important items.
- (iii) Each of companies of the SECOM Group carry out IT controls covering administration and management information in conformance with the "Basic Policy of the SECOM Group for Information Security." The Company's IT executive officers conduct timely inspections covering the IT management of major subsidiaries.

(iv) The "SECOM Group Management Committee," which is chaired by the Company's President and Representative Director and whose members are composed of the presidents of subsidiaries and other parties appointed by the chairperson, works to ensure that appropriate operations are carried out. It accomplishes this goal by conducting discussions of issues related to the Group's internal controls in an effort to share Group information and operating philosophy. The President and Representative Director reports the results of the Group Management Committee to the Board of Directors and Board of Corporate Auditors.

(v) The President and Representative Director issues orders to the Audit and Compliance Department and the supervising executive officers at Group companies to inspect subsidiaries, if necessary. The subsidiaries accept the inspection by the Company, which is the parent company, and at the same time promote the understanding of compliance-related issues by exchanging information with the Company.

(vi) The Corporate Auditors of the Company visit important subsidiaries and conduct audits regarding internal controls.

(vii) A liaison meeting with Group Corporate Auditors is established after discussion with the Board of Corporate Auditors in an attempt to share information.

(7) Matters related to employees to assist duties of Corporate Auditors when Corporate Auditors requests to do so

Corporate Auditors Office will be established and at least two employees will be manned to assist audit duties of the Corporate Auditors.

(8) Matters related to independence of the employees in the preceding item concerned from Directors

Transfer and evaluation of assistants in the preceding item shall be subject to approval of the Board of Corporate Auditors.

The assistants who received necessary instruction on audit duties by Corporate Auditors shall not be subject to any instruction or order from Directors, executive officers or employees with respect to the subject audit duties, nor be obligated to report to them.

(9) System under which Directors and employees report to Corporate Auditors and system under which any report is made to Corporate Auditors

- (i) Regulation providing for matters to be reported to Corporate Auditors shall be established upon discussion with the Board of Corporate Auditors, and Directors shall make reports with respect to the following matters: (1) matters resolved by the Organization Culture Committee; (2) matters likely to be materially harming the Company; (3) important matters relating to monthly business conditions; (4) important matters relating to internal audit and risk control; (5) material violation of laws and regulations or the Articles of Incorporation; (6) condition of usage and content of the Hot Help Line; and (7) in addition, important matters from viewpoint of compliance.
- (ii) If an employee finds a fact falling within the preceding paragraph, a system by which the fact may be transmitted directly to the President and Representative Director through such means as the Hot Help Line shall be arranged and the President and Representative Director shall report to Corporate Auditors pursuant to the preceding paragraph.

(10) System under which audit by Corporate Auditors is ensured to be performed efficiently

- (i) The Board of Corporate Auditors shall regularly hold the meetings with the President and Representative Director and Accounting Auditors, to exchange opinions so that audit shall be performed efficiently.
- (ii) The Company ensures that the Board of Corporate Auditors may retain lawyers at its discretion and, if necessary, have opportunities to retain and consult professional accountants with respect to their audit duties.

2. Organizations, etc. relating to Internal Control System

(1) Organizations within the Company

Board of Directors:

The Board of Directors consists of 11 Directors and is attended by 4 Corporate Auditors (including 3 outside Corporate Auditors). It is convened once a month as a general rule. The Board of Directors determines management policies and business execution policies in relation to business in general, oversees the execution of duties by Directors, actively

[English Translation]

exchanges opinions and endeavors to make decisions in a precise and speedy fashion.

Board of Corporate Auditors:

The Board of Corporate Auditors consists of 4 Corporate Auditors, consisting of 1 full-time Corporate Auditor and 3 outside Corporate Auditors. It is convened once a month as a general rule. Corporate Auditors attend each meeting of the Board of Directors in addition to other important conferences, exchange opinions relating to corporate management in general, receive reports on the status of execution of duties from Directors, etc. and conduct audits focusing on whether there are any facts of violations of laws, regulations, the Articles of Incorporation or shareholders' interests.

The Board of Corporate Auditors also conducts audits on operations in general within the Company as well as its subsidiaries and affiliates according to the audit plan.

Major Activities in the current fiscal year

- (i) Corporate Auditors' attendance rate at meetings of Board of Directors: 98.07%
- (ii) Corporate Auditors' attendance rate at meetings of Board of Corporate Auditors: 100%
- (iii) Conducted interviews with Directors, etc. of the Company and its subsidiaries and affiliates: 45 times
- (iv) Conducted on-site audits at business locations of the Company and its subsidiaries, affiliates, etc.: 94 locations

(2) Others

Periodic Meetings among Representative Director, etc. and Corporate Auditors:

Corporate Auditors hold meetings with the President & Representative Director in the presence of Chairman & Director periodically (once a month). At the meeting, Corporate Auditors report the results of audits, etc. and exchange opinions on important issues regarding management, to share mutual recognition.

Conferences, etc. among Corporate Auditors and Accounting Auditor:

Corporate Auditors hold periodical meetings with Accounting Auditor 6 times a year and have ones additionally as necessary,

and exchange opinions and information. Corporate Auditors and the Board of Corporate Auditors receive explanation and exchange opinions regarding the audit plan and audit results* from the Accounting Auditor. In addition, Corporate Auditors present as a witness during visiting audits and audit review conducted by the Accounting Auditor as necessary. (Witness frequency: 24 times in the current fiscal year)

* including the results of quarterly reviews and the result of annual audit, etc.

Cooperation with Internal Audit Division, etc.:

Corporate Auditors hold conferences with the Audit and Compliance Department periodically (once a month), are reported audit results and exchange opinions with them. And Corporate Auditors endeavor to conduct audits in an efficient manner such as requesting the internal audit division, etc. to conduct an investigation as necessary.

Consolidated Balance Sheet

(As of March 31, 2009)

(Millions of Yen)

ITEM	AMOUNT	ITEM	AMOUNT
<u>ASSETS</u>		<u>LIABILITIES</u>	
Current Assets:	473,445	Current Liabilities:	256,655
Cash on hand and in banks	127,476	Notes and accounts payable, trade	28,374
Cash deposits for armored car services	56,667	Bank loans	85,383
Call loan	36,500	Current portion of straight bonds	5,036
Notes and accounts receivable, trade	77,398	Lease obligations	202
Due from subscribers	20,139	Payables - other	23,195
Short-term investments	16,786	Accrued income taxes	18,983
Lease receivables and investment in leased assets	14,993	Accrued consumption taxes	2,932
Inventories	28,279	Accrued expenses	3,534
Real estate for sale	67,127	Deferred revenue	31,298
Deferred income taxes	11,135	Accrued bonuses	12,741
Short-term loans receivable	4,125	Reserve for litigation losses	2,415
Other	15,578	Other	42,558
Allowance for doubtful accounts	(2,762)		
Fixed Assets:	616,698	Long-term Liabilities:	251,218
Tangible Assets:	263,267	Straight bonds	12,673
Buildings and improvements	85,415	Long-term loans	15,338
Security equipment and control stations	65,631	Lease obligations	571
Land	89,297	Guarantee deposits received	34,210
Other	22,923	Deferred income taxes	3,740
Intangible Assets:	21,331	Accrued pension and severance costs	13,807
Software	13,934	Accrued retirement benefits for Directors and Corporate Auditors	2,244
Goodwill	4,109	Investment deposits by policyholders, unearned premiums and other insurance liabilities	167,011
Other	3,287	Other	1,621
Investments and Others:	332,099	Total Liabilities	507,874
Investment securities	201,923	<u>NET ASSETS</u>	
Long-term loans receivable	59,880	Shareholders' Equity:	552,891
Long-term prepaid expenses	18,817	Common Stock	66,377
Prepaid pension and severance costs	18,876	Capital Surplus	83,054
Deferred income taxes	24,413	Retained Earnings	478,355
Other	27,311	Common Stock in treasury, at cost	(74,896)
Allowance for doubtful accounts	(19,122)	Valuation, Translation Adjustments and Others:	(33,937)
Deferred Assets:	338	Unrealized losses on securities	(3,901)
Other	338	Deferred losses on hedges	(27)
		Foreign currency translation adjustments	(30,008)
		Minority Interests in Subsidiaries:	63,654
		Total Net Assets	582,608
TOTAL ASSETS	1,090,483	TOTAL LIABILITIES AND NET ASSETS	1,090,483

[English Translation]

Consolidated Statement of Income

(Fiscal Year from April 1, 2008 to March 31, 2009)

(Millions of Yen)

ITEM	AMOUNT	
Revenue		678,400
Costs of revenue	444,771	
Gross profit		233,628
Selling, general and administrative expenses	145,994	
Operating profit		87,634
Non-operating income:		
Interest income	1,847	
Dividends income	463	
Gain on sales of investment securities	731	
Net gains from investment in affiliated companies accounted for under the equity method	4,626	
Gain on private equity investments	3,099	
Other	2,188	12,957
Non-operating expenses:		
Interest expenses	2,080	
Loss on sales and disposal of fixed assets	2,038	
Exchange loss	1,564	
Write-off of long-term prepaid expenses	990	
Other	2,994	9,666
Ordinary profit		90,924
Extraordinary profit:		
Gain on reversal of price fluctuation reserve	379	
Gain on sales of subsidiaries' and affiliates' securities	52	
Gain on sales of fixed assets	46	
Gain on sales of investment securities	3	
Other	0	482
Extraordinary loss:		
Loss on impairment of investment securities	20,639	
Provision for allowance for doubtful accounts	2,650	
Provision for reserve for litigation losses	2,415	
Loss on settlement of litigation	1,000	
Impairment loss on fixed assets	76	
Loss on sales of subsidiaries' and affiliates' securities	71	
Loss on liquidation of subsidiaries	31	
Loss on sales of fixed assets	8	
Other	983	27,875
Income before income taxes		63,531
Income taxes – current	41,768	
Income taxes – deferred	(3,244)	38,523
Minority interests in subsidiaries		3,504
Net income		21,502

Consolidated Statement of Changes in Net Assets

(Fiscal Year from April 1, 2008 to March 31, 2009)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury, at cost	Total shareholders' equity
Balance as of March 31, 2008	66,377	83,056	475,987	(44,877)	580,543
Effect of application of the Practice Issues Task Force No. 18			(11)		(11)
Changes during the period:					
Cash dividends			(19,122)		(19,122)
Net income			21,502		21,502
Purchase of treasury stock				(30,031)	(30,031)
Disposal of treasury stock		(2)		12	9
Transfer of loss on disposal of treasury stock		0	(0)		-
Net changes of items other than shareholders' equity					
Total changes during the period	-	(1)	2,379	(30,018)	(27,640)
Balance as of March 31, 2009	66,377	83,054	478,355	(74,896)	552,891

	Valuation, translation adjustments and others				Minority interests in subsidiaries	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Total valuation, translation adjustments and others		
Balance as of March 31, 2008	(3,306)	(90)	(9,907)	(13,304)	63,035	630,274
Effect of application of the Practice Issues Task Force No. 18						(11)
Changes during the period:						
Cash dividends						(19,122)
Net income						21,502
Purchase of treasury stock						(30,031)
Disposal of treasury stock						9
Transfer of loss on disposal of treasury stock						-
Net changes of items other than shareholders' equity	(595)	63	(20,101)	(20,632)	619	(20,013)
Total changes during the period	(595)	63	(20,101)	(20,632)	619	(47,654)
Balance as of March 31, 2009	(3,901)	(27)	(30,008)	(33,937)	63,654	582,608

[English Translation]

Notes to Consolidated Financial Statements

Notes to Significant Items for Preparation of Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 164

Names of major consolidated subsidiaries:

Secom Joshinetsu Co., Ltd., Nohmi Bosai Ltd., Secom Medical System Co., Ltd., Secom General Insurance Co., Ltd., Secom Techno Service Co., Ltd., Secom Industries Co., Ltd., Secom Trust Systems Co., Ltd., Pasco Corporation, Secom Home Life Co., Ltd., Arai & Co., Ltd., The Westec Security Group, Inc.

(2) Descriptions of Non-consolidated Subsidiaries

Names of major non-consolidated subsidiaries:

FM-International Laos Co., Ltd., Nohmi Kosaku Co., Ltd., Nohmi Facilities Co., Ltd., Eishin Denshi Co., Ltd., Nohmi Baoli (Beijing) Intelligent Fire Protection Co., Ltd., and 2 other companies

(The reason for exclusion from consolidation)

All of these 7 non-consolidated subsidiaries are of a small size, so that the aggregate amounts of total assets, revenue, net income/loss (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) and others do not have a significant effect on the consolidated financial statements.

(3) Names of other companies owing majority of voting rights not regarded as subsidiaries

US Collections, Inc., Switchcraft Holdco, Inc., Global Sales Training, Inc., CLP Auto Interior Corp., US Juice Partners, LLC, Gold Canyon Mining & Construction, LLC

(The reason for not regarded as subsidiaries)

These companies were acquired by subsidiaries of The Westec Security Group, Inc. through normal course of business with the objective of investment, not with the objective of control.

2. Equity Method

(1) Number of equity method affiliates: 31

Names of major affiliated companies accounted for under the equity method:

Japan Nuclear Security System Co., Ltd., S1 Corporation, Toyo Tec Co., Ltd., Tokyo Biso Kogyo Corporation, Taiwan Secom Co., Ltd.

(2) Number of non-equity method affiliates: 6

(The reason for not applying the equity method)

These companies are not accounted for under the equity method because their effect on net income/loss (an amount prorated to ownership) and retained earnings (an amount prorated to ownership) during the current fiscal year is slight as a whole.

- (3) Names of other companies owing between 20% and 50% of voting rights not regarded as affiliates

Global T&M Holdings, LLC

(The reason for not regarded as an affiliate)

This company was acquired by a subsidiary of The Westec Security Group, Inc. through normal course of business with the objective of investment, not with the objective of control.

3. Changes in Scope of Consolidation and Companies Accounted for under the Equity Method

Consolidation

Newly consolidated subsidiaries: 6

Fujian Secom Security Co., Ltd.: (Newly establishment)
Secom Home Life Kanri Co., Ltd. and 4 other companies:
(Acquisition)

Excluded from consolidation: 5

Secom Maintenance Joshinetsu Co., Ltd. and 1 other company: (Merger)
Beijing Secom Information Technology Co., Ltd. (Liquidation)
Laboratory for Innovators of Quality of Life: (Divestiture)
IPC Pasco Lingtu Corporation: (Moved to equity method affiliates)

Equity Method

New affiliates accounted for under the equity method: 2

Gain Inc.: (Acquisition)
IPC Pasco Lingtu Corporation: (Moved from consolidated subsidiaries)

Exclusion from affiliates accounted for under the equity method: 2

Taiwan Lines Co., Ltd.: (Liquidation)
New City Property Services Co., Ltd.: (Divestiture)

4. Closing Dates of Consolidated Subsidiaries and Equity Method Affiliates

With respect to overseas consolidated subsidiaries, etc., 9 U.S. subsidiaries such as The Westec Security Group Inc., 4 U.K. subsidiaries such as Secom Plc, 13 Chinese subsidiaries such as Secom (China) Co., Ltd., 3 Australian subsidiaries such as Secom Australia Pty. Ltd., P.T. Nusantara Secom Infotech, P.T. Secom Indopratama, Pasco Thailand Co., Ltd., Thaisecom Pitakkij Co., Ltd., Pasco Philippines Corp., Secom Vietnam Co.,Ltd., FM-International Oy, Nohmi Taiwan Ltd., Base Aerofotogrametria E Projectos S.A. and Pasco Do Brasil Participacoes Ltda. close their accounting as of December 31 each year, and the financial statements as of this date are used for preparation of the consolidated financial statements.

With respect to domestic consolidated subsidiaries, etc., while 15 companies such as Ena Urbane Properties, Co., Ltd. close their accounting as of December 31 each year, the financial statements prepared pursuant to the provisional closing of accounts conducted as of March 31 are used for preparation of the consolidated financial statements.

With respect to equity method affiliates, S1 Corporation, Taiwan Secom Co., Ltd. and 12 other companies close their accounting as of December 31 each year, and the financial statements as of this date are used

for preparation of the consolidated financial statements. While Koatsu Co. Ltd. closes its accounting as of September 30 each year, the financial statements prepared pursuant to the provisional closing of accounts conducted as of March 31 are used for preparation of the consolidated financial statements.

The necessary adjustments related to the consolidation are made for any major transactions which arise between the consolidated closing dates. The closing dates of other consolidated subsidiaries and equity method affiliates are the same as the consolidated closing date.

5. Significant Accounting Policies

(1) Valuation policies and methods for significant assets

1) Securities

a. Held-to-maturity debt securities are carried at amortized cost.

b. Available-for-sale

Securities with fair value

Stock and beneficiary securities: At fair value based on the average market price one month prior to the fiscal year-end.

Others: At fair value based on market price at fiscal year-end

Net unrealized gains and losses of securities are reported, net of applicable income taxes, directly in net assets. The cost of securities sold is primarily calculated by the moving average method.

Securities with no fair value

At cost, principally based on the moving average method.

2) Derivatives

Derivatives are stated at fair value.

3) Inventories

Inventories are principally stated at cost based on the moving average method (or at the net realizable value (NRV) calculated by writing down the book value to reflect a decrease in the NRV).

(Change to the accounting policy)

Inventories were principally stated at cost based on the moving average method for the previous fiscal years. As the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has become applicable from the current fiscal year, they are principally stated at cost based on the moving average method (or at the net realizable value calculated by writing down the book value to reflect a decrease in the NRV).

The effect of this change on operating profit, ordinary profit and income before income taxes is insignificant.

4) Real estate for sale

Stated at cost by the specific cost method (or at the net realizable value calculated by writing down the book value to reflect a decrease in the NRV).

(Change to the accounting policy)

Real estates for sale were principally stated at lower of cost or market by the specific cost method for the past fiscal years. As the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has become applicable from the current fiscal

year, they are principally stated at cost by the specific cost method (or at the net realizable value calculated by writing down the book value to reflect a decrease in the NRV).

The effect of this change on operating profit, ordinary profit, and income before income taxes is insignificant.

(2) Depreciation and Amortization of Depreciable and Amortizable Fixed Assets

1) Tangible Assets (except for leased assets)

a. Security equipment and control stations

Security equipment and control stations are depreciated over their average estimated useful service lives (5–8 years) by the declining-balance method.

b. Other tangible fixed assets

Other tangible fixed assets are depreciated by the straight-line method.

Their main useful service lives are as follows:

Buildings and improvements: 22–50 years

Tools and equipments: 2–20 years

(Change to the accounting policy)

In past fiscal years, tangible assets (except for buildings (other than leasehold improvements) acquired after April 1, 1998) were principally depreciated by the declining balance method; from the current fiscal year, this method has been changed to the straight-line method, except for security equipment and control stations. The Company reviewed the depreciation method of assets when it made the decision to switch capital investments from leases to purchase from January 2008, and consequently determined that the straight-line method was more reasonable, given the stable accrual of cost corresponding to revenue, and thus sought to unify the Group's accounting policy.

Due to this change, operating profit, ordinary profit, and income before taxes increased by Yen 2,203 million, respectively compared with the formerly adopted depreciation method.

2) Intangible Assets (except for leased assets)

Intangible fixed assets are amortized by the straight-line method.

The software used in the Company is amortized by the straight-line method based on the useful service lives within the Company (5 years).

3) Leased Assets

(i) Leased assets related to ownership-transfer finance lease transactions
Depreciated, using the same depreciation method applied to fixed assets in possession.

(ii) Leased assets related to non-ownership-transfer finance lease transactions

Depreciated, using the straight-line method over a useful life equal to the lease period with a residual value of zero.

In addition, non-ownership-transfer finance leases entered into on or before March 31, 2008 are treated using the method applicable to operating lease transactions.

4) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized by the straight-line method.

With respect to the installation costs related to security equipment at the customer premises, any portion exceeding the amount received from the customer is included in "long-term prepaid expenses" and amortized by the straight-line method over the contract period (5 years).

(3) Basis for Significant Allowances

[English Translation]

1) Allowance for Doubtful Accounts

To prepare for losses from bad debts such as losses on trade receivables and loans, the allowance for doubtful accounts provides an estimated amount of uncollectables. It is determined based on the historical loss rate with respect to ordinary accounts, plus an estimate of uncollectable amounts respectively determined by reference to specific doubtful accounts from customers who are experiencing financial difficulties.

2) Accrued Bonuses

The accrued bonuses are provided for the bonus payments to employees, at an amount incurred during the current fiscal year.

3) Accrued Pension and Severance Costs

To prepare for the retirement benefits of employees, the Company and its domestic consolidated subsidiaries, etc. appropriate an amount of accrued pension and severance costs and prepaid pension and severance costs at the end of the current fiscal year, based on the estimated amount of projected retirement benefit obligations and plan assets as of the end of the current fiscal year.

Prior service liability is recognized as profit or loss in the year of occurrence.

Actuarial gains and losses are amortized from the following year of occurrence, using the straight-line method over certain years within the average remaining service period (mainly 10 years).

4) Accrued Retirement Benefits for Directors and Corporate Auditors

To prepare for outlays for retirement benefits of Directors and Corporate Auditors of the Company and certain domestic consolidated subsidiaries, a necessary amount at the end of the current fiscal year is appropriated based on the rules of the Directors and Corporate Auditors' retirement benefits.

5) Reserve for Litigation Losses

To prepare for litigation losses, an accrual is provided based on the estimated potential losses.

(4) Revenue and Cost Recognition

Revenue from the contract business of Pasco Corporation and its subsidiaries, etc. is recognized under the percentage of completion method. Revenue from the contract business of Secom Techno Service Co., Ltd. and its subsidiaries for which the construction price per transaction exceeds Yen 500 million is recognized under the percentage of completion method.

With respect to finance lease revenue, the Company applies the method to recognize revenue and cost upon receipt of lease payments.

(5) Accounting for Major Hedges

1) Hedge Accounting Policy

The Company principally applies deferred hedging accounting. The interest rate swaps that fulfill requirements for exceptional treatments permitted for interest rate swaps are accounted for using exceptional treatments.

2) Hedging Instruments and Hedged Items

Hedging instruments: Interest rate swaps

Hedged items: Loans payables

3) Hedging Policy

The risks for forward interest rate fluctuation are to be hedged principally pursuant to the risk management policy of the Company.

4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed by comparing the cumulative totals of price fluctuations of the hedging items and hedging instruments from the beginning of hedging to the effective point of assessment, taking the changes of both the hedging items and hedging instruments into account. However, when an item is judged to fulfill requirements for exceptional treatments, the assessment of hedge effectiveness is omitted.

(6) Accounting for Consumption Tax

In relation to consumption tax and regional consumption tax, the Company has adopted the tax-exclusive method.

6. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries, etc. are fully measured at fair value at acquisitions.

7. Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are amortized by the straight-line method over a 5–10 year period.

8. Changes in Significant Items for Preparation of Consolidated Financial Statements

(1) Accounting Standard for Lease Transaction

In past fiscal years, for non-ownership-transfer finance leases, an accounting treatment substantially similar to the method applicable to operating lease transactions was used. From the current fiscal year, the Company applies the “Accounting Standard for Lease Transaction” (ASBJ Standard No. 13, issued on June 17, 1993 (First Subcommittee of the Business Accounting Council) and as revised on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on January 18, 1994 (Accounting System Committee of the Japanese Institute of Certified Public Accountants) and as revised on March 30, 2007) and changed the accounting treatment to one similar to the method applied to common sale and purchase transactions.

(As a Lessee)

Leased assets are booked for non-ownership-transfer finance leases. Additionally, non-ownership-transfer finance leases starting on or before March 31, 2008 are continuously treated under a method applicable to operating lease transactions. The effect of this change on operating profit, ordinary profit, and income before taxes is insignificant.

(As a Lessor)

Investment in leased assets is booked for non-ownership-transfer finance leases. Additionally, with respect to the non-ownership-transfer finance lease transactions of Secom Credit Co., Ltd., — the Company’s consolidated subsidiaries whose major business is leasing — starting on or before March 31, 2008, the appropriate book value of fixed assets (after deducting accumulated depreciation) at the end of the year immediately preceding the

first fiscal year when the accounting standard is to be applied, is transferred to the beginning balance of investment in leased assets in the current fiscal year, and the total amount equivalent to interest expense on the said investment in leased assets is prorated equally over the remaining period after the said accounting standard is applied.

Non-ownership-transfer finance leases for consolidated subsidiaries other than Secom Credit Co., Ltd. starting on or before March 31, 2008 are continuously treated under the method similar to a method applicable to operating lease transactions.

The effect of this change on operating profit, ordinary profit, and income before taxes for the current fiscal year is insignificant.

(2) Application of the Tentative Treatment for Overseas Subsidiaries in Preparing the Consolidated Financial Statements

From the current fiscal year, the Company applies the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force (PITF) No. 18, issued on May 17, 2006) and has made necessary consolidation adjustments.

The effect of this change on operating profit, ordinary profit, and income before taxes is insignificant.

9. Changes of Presentation Methods
(Consolidated Statements of Income)

(1) Exchange Loss

“Exchange loss” was included in “Other” of non-operating expense until the previous fiscal year; as they exceeded ten hundredths of the total amount of non-operating expenses, they are separately listed from the current fiscal year.

Exchange losses included in “Other” of non-operating expenses in the previous fiscal year amounted to Yen 825 million.

(2) Write-off of Long-term Prepaid Expenses

“Write-off of long-term prepaid expenses” was included in “Other” of non-operating expenses until the previous fiscal year; as they exceeded ten hundredths of the total amount of non-operating expenses, they are separately listed from the current fiscal year.

“Write-off of long-term prepaid expenses” included in “Other” of non-operating expenses in the previous fiscal year amounted to Yen 941 million.

Notes to Consolidated Balance Sheet

1. Cash Deposits for Armored Car Services, Short-term Bank Loans

For financial institutions, the Company and some of the domestic consolidated subsidiaries provide cash collection from and cash filling to cash dispensers located outside of financial institution facilities. The balance of cash deposits for armored car services includes cash on hand and cash in banks representing a total of Yen 33,971 million connected with such services, which is restricted as to use by the Company group. The short-term bank loan balance includes Yen 7,899 million financed for the cash collection and filling services.

Furthermore, the balance of cash deposits for armored car services includes Yen 22,696 million connected with cash collection administration services, which is also restricted as to use by the Group. Also, the short-term bank loan balance includes Yen 18,993 million financed in connection with the same services.

2. Accumulated Depreciation of Assets

Accumulated Depreciation of Tangible Assets: Yen 287,496 million

3. Assets Pledged as Collateral and Collateral-related Liabilities:

(1) Assets Pledged as Collateral

	(Millions of Yen)
Cash on hand and in banks (time deposit)	1,282
Short-term loans receivables	14
Other current assets (receivable -other)	672
Buildings and improvements	29,943
Land	27,272
Intangible assets (leasehold)	818
Investment securities	745
Long-term loans receivable	408
Other fixed assets (long-term deposit)	200
<u>Total</u>	<u>61,357</u>

(2) Collateral-related Liabilities

	(Millions of Yen)
Bank loans	16,569
Current portion of straight bonds	5,036
Straight Bonds	12,673
Long-term loans	13,250
<u>Total</u>	<u>47,529</u>

In addition to the above liabilities, investment securities and long-term loans are pledged as collateral for the debts of affiliated companies and other debts.

4. Change in the Purpose of Ownership of Real Estate for Sale

Real estate for sale in the amount of Yen 2,353 million has been transferred to "Land" due to a change in the purpose of ownership.

5. Investment in Non-consolidated Subsidiaries and Affiliated Companies:

(Fixed assets)

Investment in securities (shares) amounted to Yen 38,690 million.

6. Contingent Liabilities:

(1) The Company guarantees loans payable and amounts payable held for lease, etc. of the affiliated companies, etc. amounted to Yen 8,314 million.

[English Translation]

(2) Lawsuits:

In July 2004, Fujitsu Limited filed a lawsuit against Secom General Insurance Co., Ltd. in the Tokyo District Court, claiming compensation for costs related to a systems development order in the amount of Yen 2,500 million. Secom General Insurance Co., Ltd. is not only contesting this lawsuit on the grounds that it is without merit, but has also filed a countersuit claiming damages in the amount of Yen 1,000 million. However, on January 16, 2009, Secom General Insurance Co., Ltd. resolved the matter by reaching a settlement involving the payment to Fujitsu Limited in the amount of Yen 1,000 million, which was paid on January 30, 2009.

Pasco Corporation filed a lawsuit against Sumitomo Mitsui Banking Corporation for a confirmatory judgment to the effect that it does not owe an obligation in the amount of Yen 2,010 million to Sumitomo Mitsui Banking Corporation with the Tokyo District Court on October 31, 2005. Sumitomo Mitsui Banking Corporation alleged that it made a loan to a third party and acquired from the third party its claim against Pasco Corporation for an alleged sale of equipment to Pasco Corporation, as collateral for the loan, and demanded Pasco Corporation to pay such claim to Sumitomo Mitsui Banking Corporation. Furthermore, on December 5, 2005, Sumitomo Mitsui Banking Corporation brought a cross action against Pasco Corporation in relation to a demand for payment of a transferred receivable. Subsequently, both actions were consolidated according to a court procedure. The oral argument was concluded on October 31, 2008, and on March 27, 2009 Tokyo District Court rendered the following judgment;

(Contents of decision)

1. Pasco Corporation must pay money for Sumitomo Mitsui Banking Corporation in an amount of Yen 2,010 million as well as interest of the rate of 6 percent per annum on Yen 600 million, from November 1, 2005, and on Yen 1,409 million, from December 1, 2005, up to the full payment of the respective amounts;
2. Pasco Corporation incurs the cost of lawsuits including the cost caused by supplementary participation; and
3. The judgment can be provisionally executed.

Pasco Corporation appealed the case to the Tokyo High Court on April 6, 2009.

Pasco Corporation has provided reserve for litigation losses of Yen 2,415 million based on the judgment.

7. Presentation of Goodwill and Negative Goodwill

Goodwill and negative goodwill are presented in netted amount. Listed below are the amounts before offset.

Goodwill	Yen 5,588 million
Negative goodwill	1,479
Net amount	4,109

Notes to Consolidated Statement of Income

1. Loss on revaluation of real estate inventories included in Cost of Revenue
Yen 8,366 million

[English Translation]

Notes to Consolidated Statement of Changes in Net Assets

1. Classes and Total Number of Issued Shares and Treasury Stocks

(Unit : 1 share)

	Number of shares at the end of the previous consolidated fiscal year	Increase in the number of shares in the current consolidated fiscal year	Decrease in the number of shares in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Issued shares				
Common stocks	233,288,717	—	—	233,288,717
Treasury stocks				
Common stocks	8,323,599	6,930,313	2,392	15,251,520

(Outline of reasons for change)

The increase of 6,930,313 in the number of common stocks is due to the purchase of 6,913 shares constituting less than one unit and due to the purchase of 6,923,400 shares as treasury stock pursuant to a resolution of the Board of Directors held on November 5, 2008.

The decrease of 2,392 in the number of common stocks is due to requests to sell such number of shares as will constitute, together with the shares constituting less than one unit of shares already held, one full unit.

2. Items Related to Dividends

(1) Amount of Dividend Paid

Resolution	Classes of Shares	Total amount of dividend (Millions of Yen)	Cash dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 26, 2008	Common stock	19,122	85	March 31, 2008	June 27, 2008

(2) Of the dividends whose record date belongs to the current fiscal year, the following are those dividends of which the effective date belongs to the next fiscal year.

The matters to be resolved on the general meeting of shareholders are as follows.

Resolution	Classes of Shares	Source of dividend	Total amount of cash dividend (millions of Yen)	Cash dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2009	Common stock	Retained earnings	18,533	85	March 31, 2009	June 26, 2009

Notes to Deferred Tax Accounting

1. The Significant Components of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets:	(Millions of Yen)
Operating loss carryforwards	13,505
Eliminations of unrealized gain	10,661
Allowance for doubtful accounts	8,074
Adjustment of book value of land and buildings of subsidiaries, etc. at fair value at the date of consolidation	7,475
Accrued pension and severance costs	5,205
Accrued bonuses	5,120
Write-down on fixed assets	4,721
Investment deposits by policyholders, unearned premiums and other insurance liabilities and provision for outstanding claims	4,307
Impairment loss	3,097
Loss on impairment of investment securities	2,751
Loss on revaluation of real estate inventories	2,702
Unrealized losses on securities	1,187
Other	9,139
<hr/> Gross deferred tax assets	<hr/> 77,951
Valuation allowance	(29,667)
<hr/> Total deferred tax assets	<hr/> 48,283
 Deferred tax liabilities:	
Prepaid pension and severance costs	(7,392)
Adjustment of book value of other fixed assets of subsidiaries, etc. at fair value at the date of consolidation (land and buildings)	(6,404)
Adjustment of book value of other fixed assets of subsidiaries, etc. at fair value at the date of consolidation (Other fixed assets)	(2,522)
Other	(156)
<hr/> Total deferred tax liabilities	<hr/> (16,475)
<hr/> Net deferred tax assets	<hr/> 31,807

2. Summary of the Reconciliation between the Effective Tax Rate Reflected in the Consolidated Financial Statements and the Statutory Tax Rate :

Statutory tax rate (Reconciliation)	40.5 (%)
Unrecognized tax benefits from subsidiaries in deficit	19.7
Net gains from investment in affiliated companies accounted for under the equity method	(2.9)
Impairment loss on the investments and loans of subsidiaries and affiliated companies	(2.7)
Increase in valuation allowance	2.5
Permanently nondeductible expenses such as entertainment expenses	1.6

[English Translation]

Per capita levy of corporate inhabitant tax	1.3
Amortization of goodwill	1.0
Research and development tax credits	(0.6)
Tax rate difference with consolidated subsidiaries	0.5
Utilization of tax loss carryforwards	(0.3)
Other	0.0
<hr/>	
Effective tax rate after the adoption of deferred tax accounting	60.6 (%)

Notes to Fixed Assets Used under Leases

1. Finance lease transactions commencing on or before March 31, 2008 other than those deemed to transfer the ownership of the leased assets to the lessees

(1) As a Lessee

Besides the ones booked as fixed assets on the balance sheet of the Company, some of buildings, automobiles, machinery and equipment, tools, furniture and fixtures and software are used based on the finance lease contracts other than those deemed to transfer the ownership of the leased assets to the lessees.

- 1) The Amount Equivalent to Acquisition Cost, the Amount Equivalent to Accumulated Depreciation, and the Amount Equivalent to Year-End Balance of Leased Properties

(Millions of Yen)

Amount equivalent to acquisition cost	
Buildings and improvements	5,184
Tangible assets (other)	11,266
<u>Intangible assets (software)</u>	<u>1,180</u>
Total	17,631

Amount equivalent to accumulated depreciation	
Buildings and improvements	2,273
Tangible assets (other)	7,209
<u>Intangible assets (software)</u>	<u>605</u>
Total	10,088

Amount equivalent to year-end balance	
Buildings and improvements	2,911
Tangible assets (other)	4,057
<u>Intangible assets (software)</u>	<u>574</u>
Total	7,543

- 2) The Amount Equivalent to Year-End Balance of Future Minimum Lease Payments

(Millions of Yen)

Within 1 year	2,394
<u>Over 1 year</u>	<u>6,270</u>
Total	8,664

- 3) Lease Payment Expenses, the Amount Equivalent to Depreciation Expenses, and the Amount Equivalent to Interest Expenses

	(Millions of Yen)
Lease payment expenses	3,594
Amount equivalent to depreciation expenses	3,213
Amount equivalent to interest expenses	391

4) Calculation Method of the Amount Equivalent to Depreciation Expenses and the Amount Equivalent to Interest Expenses

Calculation Method of the amount equivalent to depreciation expenses
 Depreciation expenses are calculated using the straight-line method which assumes that the period of the lease is the useful service life of the asset and sets the residual value to zero.

Calculation Method of the amount equivalent to interest expenses
 The amount equivalent to interest expenses is calculated as the difference between total lease payments and the amount equivalent to the acquisition cost of leased properties, and the interest method is used as the allocation method for each fiscal period.

(2) As a Lessor

1) The Acquisition Cost, Accumulated Depreciation, and Year-End Balance for Leased Properties Included in Fixed Assets

	(Millions of Yen)
Acquisition cost	
Buildings and improvements	11,377
<u>Tangible assets (other)</u>	<u>7,842</u>
Total	19,219
Accumulated depreciation	
Buildings and improvements	1,761
<u>Tangible assets (other)</u>	<u>4,213</u>
Total	5,974
Year-End balance	
Buildings and improvements	9,616
<u>Tangible assets (other)</u>	<u>3,628</u>
Total	13,245

2) The Amount Equivalent to the Year-End Balance of Future Minimum Lease Payments to be received

	(Millions of Yen)
Within 1 year	1,258
<u>Over 1 year</u>	<u>13,448</u>
Total	14,706

3) Received Lease Payments, Depreciation Expenses, and the Amount Equivalent to Received Interest

	(Millions of Yen)
Received lease payments	2,823
Depreciation expenses	1,953
Amount equivalent to received interest	1,416

4) Calculation Method of the Amount Equivalent to Interest

The amount equivalent to interest is calculated as total lease payments plus total estimated residual value minus the purchase price of the leased properties, and the interest method is used as the allocation method for each fiscal period.

2. Finance Leases

(As a Lessor)

1) Investment in Leased Assets	(Millions of Yen)
(Current assets)	
Gross lease receivables	24,251
<u>Amount equivalent to received interest</u>	<u>(9,881)</u>
Investment in leased assets	14,370

2) Estimated collection schedule for gross lease payments to be received for lease receivables and leased investment assets

(Millions of Yen)

(Current assets)

	Lease receivables	Investment in leased assets
Within 1 year	56	8,252
1 year to 2 year	56	6,533
2 year to 3 year	56	4,734
3 year to 4 year	56	2,869
4 year to 5 year	56	984
Over 5 year	454	876

(Note) With regard to non-ownership transfer finance lease transaction for which the lease transaction commenced on or before March 31, 2008 among the lease transactions of consolidated subsidiary, Secom Credit Co., Ltd., whose principal business is leasing, it has recorded the appropriate book value of fixed assets (after deducting accumulated depreciation) as of the end of the fiscal year immediately preceding to the application of the accounting standard as of the beginning balance of investment in leased assets of the current fiscal year. The book value is included in the balance of investment in leased assets above.

3. Operating Leases

1) As a Lessee	(Millions of Yen)
Future lease payments	
Within 1 year	2,420
<u>Over 1 year</u>	<u>28,296</u>
Total	30,717

2) As a Lessor	(Millions of Yen)
Future lease payments to be received	
Within 1 year	3,452
<u>Over 1 year</u>	<u>21,905</u>
Total	25,357

Notes to Retirement Benefits

1. Outline of the Retirement Benefit Plan Adopted by the Company:

Employees of the Company and its consolidated domestic subsidiaries whose services are terminated are, under most circumstances, eligible for lump-sum severance indemnities and/or eligible for pension benefits.

The Company and those of its domestic consolidated subsidiaries with the same retirement benefit plan have adopted a severance indemnity plan and a defined contribution pension plan. The method of calculating the severance indemnity under the severance indemnity plan is to pay out to the employees an amount equal to a certain percentage of their annual income over their period of service, plus interest which is calculated as the 3-year average yield of applicants for 10-year government bonds (though subject to transitional measure). The defined contribution pension plan was established in April 2003, a portion equivalent to 20 percent of the severance indemnity plan so far accumulated was transferred to the new plan, and a specified percentage of annual income is contributed thereto. The Company transferred an additional portion of the severance indemnity plan funds to the defined contribution pension plan in April 2005, and accordingly, the ratio of the accumulated amount in the severance indemnity plan and the amount of contributions to the defined contribution pension plan, including the past reserve, changed to 70 percent and 30 percent, respectively.

The majority of the consolidated overseas subsidiaries have adopted a variety of pension plans that essentially cover all employees. Most of these plans are defined contribution pension plans.

2. Items Concerning the Retirement Benefit Obligation (As of March 31, 2009):

	(Millions of Yen)
(1) Projected benefit obligation	(70,734)
(2) Plan assets *1	54,715
(3) Unfunded projected benefit obligation ((1)+(2))	(16,019)
(4) Unappropriated difference at the time of change in accounting standard	-
(5) Unrecognized actuarial gains or losses	21,088
(6) Unrecognized prior service liability	-
(7) Net retirement benefit obligation recognized in the consolidated balance sheet ((3)+(4)+(5)+(6))	5,069
(8) Prepaid pension and severance costs	18,876
(9) Accrued pension and severance costs ((7)-(8))	(13,807)

(Note) *1. Plan assets include the asset of Yen 235 million of the retirement benefit trust.

3. Components of Pension and Severance Costs (April 1, 2008–March 31, 2009)

	(Millions of Yen)
(1) Service cost *1	4,386
(2) Interest cost	1,429
(3) Expected return on plan assets	(1,818)
(4) Amortization of actuarial gains or losses	1,032
(5) Pension and Severance Costs ((1)+(2)+(3)+(4))	5,030
(6) Gains or losses on additional transfer to a defined contribution pension plan *2	242
(7) Other *3	1,468
Total	6,741

- (Notes) *1. Pension and severance costs for consolidated subsidiaries, etc. adopting the simplified method are included in (1) "Service cost."
- *2. Pasco Corporation, the Company's consolidated subsidiary, transferred a portion of retirement benefit plan to a defined contribution pension plan in March 2009.
- *3. "Other" represents the amount payable as premiums to the defined contribution pension plan.

4. Assumptions Used in Accounting for Retirement Benefits

(1) Attribution of projected benefit obligation	Straight-line method over the estimated years of services of the eligible employees
(2) Discount rates	Principally 2.0% at beginning of fiscal year Principally 2.1% at end of fiscal year
(3) Expected rates of return on plan assets	Principally 3.0% for plan assets 0.0% for retirement benefit trust
(4) Amortization period of prior service liability	Prior service liability is amortized in the year incurred.
(5) Amortization period of actuarial gains or losses	Amortizing actuarial gains and losses from the following fiscal year of occurrence, using the straight-line method over certain years within the average remaining service period (mainly 10 years).

Notes to Business Combination

Not applicable

Notes to Per-Share Information

Net assets per share:	Yen 2,380.12
Net income per share:	Yen 96.69

Non-Consolidated Balance Sheet

(As of March 31, 2009)

(Millions of Yen)

ITEM	AMOUNT	ITEM	AMOUNT
<u>ASSETS</u>		<u>LIABILITIES</u>	
Current Assets:	134,801	Current Liabilities:	150,704
Cash on hand and in banks	31,149	Accounts payable	2,319
Cash deposits for armored car services	54,258	Bank loans	60,893
Notes receivable	389	Lease obligations	43
Due from subscribers	11,630	Payables – other	10,981
Accounts receivable, trade	6,732	Accrued income taxes	11,849
Receivables – other	2,415	Accrued consumption taxes	1,622
Short-term investments	455	Accrued expenses	597
Merchandise	5,652	Deposits received	28,451
Supplies	1,101	Deferred revenue	22,735
Prepaid expenses	2,034	Payables – construction	3,742
Deferred income taxes	4,446	Accrued bonuses	5,537
Short-term loans receivable	11,821	Other	1,928
Other	3,280		
Allowance for doubtful accounts	(567)		
Fixed Assets:	545,056	Long-term Liabilities:	24,221
Tangible Assets:	121,825	Lease obligations	192
Buildings and improvements	23,055	Guarantee deposits received	18,146
Automobiles	386	Accrued pension and severance costs	4,766
Security equipment and control stations	63,064	Accrued retirement benefits for Directors and Corporate Auditors	1,104
Machinery and equipment	1,071	Other	12
Tools, furniture and fixtures	3,717		
Land	28,306	Total Liabilities	174,926
Construction in progress	1,588	<u>NET ASSETS</u>	
Other	634	Shareholders' Equity:	504,883
Intangible Assets:	7,121	Common Stock	66,377
Software	6,578	Capital Surplus:	83,054
Other	542	Additional paid-in capital	83,054
Investments and Others:	416,110	Retained Earnings:	430,347
Investment securities	21,267	Legal reserve	9,028
Investment securities and investments in subsidiaries and affiliates	194,649	Other retained earnings	421,318
Long-term loans receivable	143,145	Reserve for systems development	800
Lease deposits	8,702	General reserve	2,212
Long-term prepaid expense	26,412	Accumulated earnings carried forward	418,306
Prepaid pension and severance costs	14,561	Common Stock in treasury, at cost	(74,896)
Deferred income taxes	14,763	Valuation, Translation Adjustments and	
Insurance funds	4,896	Others:	48
Other	1,065	Net unrealized gains on securities	48
Allowance for doubtful accounts	(13,354)		
		Total Net Assets	504,932
TOTAL ASSETS	679,858	TOTAL LIABILITIES AND NET ASSETS	679,858

Non-Consolidated Statement of Income

(Fiscal Year from April 1, 2008 to March 31, 2009)

(Millions of Yen)

ITEM	AMOUNT	
Revenue		336,893
Costs of revenue	193,842	
Gross profit		143,050
Selling, general and administrative expenses	70,434	
Operating profit		72,616
Non-operating income:		
Interest income	2,437	
Dividends income	6,712	
Other	571	9,721
Non-operating expenses:		
Interest expenses	673	
Loss on sales and disposal of fixed assets	1,622	
Write-off of long-term prepaid expenses	902	
Other	792	3,990
Ordinary profit		78,346
Extraordinary profit:		
Gain on sales of subsidiaries' and affiliates' securities	44	
Gain on sales of fixed assets	21	
Other	0	67
Extraordinary loss:		
Loss on impairment of subsidiaries' and affiliates' securities	14,188	
Provision for allowance of doubtful accounts	6,520	
Loss on impairment of investment securities	6,312	
Other	46	27,068
Income before income taxes		51,345
Income taxes – current	26,756	
Income taxes – deferred	(7,825)	18,931
Net income		32,414

Non-Consolidated Statement of Changes in Net Assets

(Fiscal Year from April 1, 2008 to March 31, 2009)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus			Retained earnings
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve
Balance as of March 31, 2008	66,377	83,054	1	83,056	9,028
Changes during the period:					
Cash dividends					
Net income					
Purchase of treasury stock					
Disposal of treasury stock			(2)	(2)	
Transfer of loss on disposal of treasury stock			0	0	
Net changes of items other than shareholders' equity					
Total changes during the period	-	-	(1)	(1)	-
Balance as of March 31, 2009	66,377	83,054	-	83,054	9,028

(Millions of Yen)

	Shareholders' equity			
	Retained earnings			
	Other retained earnings			Total retained earnings
	Reserve for systems development	General reserve	Accumulated earnings carried forward	
Balance as of March 31, 2008	800	2,212	405,015	417,055
Changes during the period:				
Cash dividends			(19,122)	(19,122)
Net income			32,414	32,414
Purchase of treasury stock				
Disposal of treasury stock				
Transfer of loss on disposal of treasury stock			(0)	(0)
Net changes of items other than shareholders' equity				
Total changes during the period	-	-	13,291	13,291
Balance as of March 31, 2009	800	2,212	418,306	430,347

[English Translation]

(Millions of Yen)

	Shareholders' equity		Valuation, translation adjustments and others		Total net assets
	Common stock in treasury, at cost	Total shareholders' equity	Unrealized gains (losses) on securities	Total valuation, translation adjustments and others	
Balance as of March 31, 2008	(44,877)	521,612	(82)	(82)	521,529
Changes during the period:					
Cash dividends		(19,122)			(19,122)
Net income		32,414			32,414
Purchase of treasury stock	(30,031)	(30,031)			(30,031)
Disposal of treasury stock	12	9			9
Transfer of loss on disposal of treasury stock		-			-
Net changes of items other than shareholders' equity			131	131	131
Total changes during the period	(30,018)	(16,729)	131	131	(16,597)
Balance as of March 31, 2009	(74,896)	504,883	48	48	504,932

Notes to Non-Consolidated Financial Statements

Notes to Significant Accounting Policies

1. Valuation Policies and Methods for Securities

(1) Held-to-maturity debt securities

Amortized cost method

(2) Investment Securities in Subsidiaries and Affiliates

Valued at cost, based on the moving average method.

(3) Available-for-sale Securities

Securities with fair value

Stock and beneficiary securities: At fair value based on the average market price one month prior to the fiscal year-end.

Others: At fair value based on market price at fiscal year-end

Net unrealized gains and losses of securities are reported, net of applicable income taxes, directly in net assets. The cost of securities sold is primarily calculated by the moving average method.

Securities with no fair value

At cost, based on the moving average method

2. Valuation Policies and Methods for Inventories

Merchandise and supplies are stated at cost determined by the moving average method.

(Change to the accounting policy)

Inventories were principally stated at cost based on the moving average method for the previous fiscal years. As the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has become applicable from the current fiscal year, they are principally stated at cost based on the moving average method (or at the net realizable value calculated by writing down the book value to reflect a decrease in the NRV).

The effect of this change on operating profit, ordinary profit and income before income taxes is insignificant.

3. Depreciation and Amortization of Depreciable and Amortizable Fixed Assets

(1) Tangible Assets: (except for leased assets)

a. Security equipment and control stations

Security equipment and control stations are depreciated over their average estimated useful service lives (5–8 years) by the declining-balance method.

b. Other tangible fixed assets

Other tangible fixed assets are depreciated by the straight-line method.

Their main useful service lives are as follows:

Buildings and improvements: 22–50 years

(Change to the accounting policy)

In past fiscal years, tangible assets (except for buildings (other than leasehold improvements) acquired after April 1, 1998) were principally depreciated by

the declining balance method; from the current fiscal year, this method has been changed to the straight-line method, except for security equipment and control stations. The Company reviewed the depreciation method of assets when it made the decision to switch capital investments from leases to purchase from January 2008, and consequently determined that the straight-line method was more reasonable, given the stable accrual of cost corresponding to revenue, and thus sought to unify the Group's accounting policy. Due to this change, operating profit, ordinary profit, and income before taxes each increased by Yen 1,369 million compared with the formerly adopted depreciation method.

(2) Intangible Assets

Intangible fixed assets are amortized by the straight-line method. The software used in the Company is amortized by the straight-line method based on the useful service lives within the Company (5 years).

(3) Leased Assets

(i) Leased assets related to ownership-transfer finance lease transactions
Depreciated, using the same depreciation method applied to fixed assets in possession.

(ii) Leased assets related to non-ownership-transfer finance lease transactions
Depreciated, using the straight-line method over a useful life equal to the lease period with a residual value of zero.

In addition, non-ownership-transfer finance leases entered into on or before March 31, 2008 are treated using the method applicable to operating lease transactions.

(Change to the accounting policy)

For non-ownership-transfer finance leases, an accounting treatment substantially similar to the method applicable to operating lease transactions was used. From the current fiscal year, the Company applies the "Accounting Standard for Lease Transaction" (ASBJ Standard No. 13, issued on June 17, 1993 (First Subcommittee of the Business Accounting Council) and as revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on January 18, 1994 (Accounting System Committee of the Japanese Institute of Certified Public Accountants) and as revised on March 30, 2007) and changed the accounting treatment to one similar to the method applied to common sale and purchase transactions.

The impact of this change on operating profit, ordinary profit, and income before taxes is insignificant.

(4) Long-term Prepaid Expenses: Straight-line method

Long-term prepaid expenses are amortized by the straight-line method. With respect to the installation costs related to security equipment at the customer premises, any portion exceeding the amount received from the customer is included in "long-term prepaid expenses" and amortized by the straight-line method over the contract period (5 years).

4. Basis for Significant Allowances

(1) Allowance for Doubtful Accounts

To prepare for losses from bad debts such as losses on trade receivables and loans, the allowance for doubtful accounts provides an estimated amount of uncollectables. It is determined based on historical loss rate with respect to

ordinary accounts, and an estimate of uncollectable amounts, respectively determined by reference to specific doubtful accounts from customers who are experiencing financial difficulties.

(2) Accrued Bonuses

Accrued bonuses are provided for the bonus payments to employees, at an amount incurred during the current fiscal year.

(3) Accrued Pension and Severance Costs

To prepare for the retirement benefits of employees, the Company appropriates an amount of accrued pension and severance costs and prepaid pension and severance costs at the end of the current fiscal year, based on the estimated amount of projected benefit obligation and plan assets as of the end of the current fiscal year.

Prior service liability is recognized as profit or loss in the year of occurrence.

Actuarial gains and losses are amortized from the following year of occurrence, using the straight-line method over certain years within the average remaining service period (mainly 10 years).

(4) Accrued Retirement Benefits for Directors and Corporate Auditors

To prepare for outlays for retirement benefits of Directors and Corporate Auditors of the Company, a necessary amount at the end of the current fiscal year is appropriated based on the rules of the Directors and Corporate Auditors' retirement benefits.

5. Other Significant Accounting Policies
(Consumption Tax)

In relation to consumption tax and regional consumption tax, the Company has adopted the tax-exclusive method.

6. Changes of Presentation Methods

Not applicable

Notes to the Non-Consolidated Balance Sheet

1. Cash and Deposits for Armored Car Services, Short-term Bank Loans

For financial institutions, the Company provides cash collection from and cash filling to cash dispensers located outside of financial institution facilities.

The balance of cash and deposits for armored car services includes cash on hand and cash in banks of representing a total of Yen 31,562 million connected with such services, which is restricted as to use by the Company. The short-term bank loan balance includes Yen 7,899 million financed for the cash collection and filling services.

The balance of cash deposits for armored car services includes Yen 22,696 million connected with cash collection administration services, which is also restricted as to use by the Company. Also, the short-term bank loan balance includes Yen 18,993 million financed in connection with the same services.

2. Assets Pledged as Collateral and Collateral-related Liabilities

(1) Assets pledged as collateral

	(Millions of Yen)
Short-term loans receivable	14
Investment securities	277
Investment securities in subsidiaries and affiliates	45
Long-term loans receivable	408
<u>Total</u>	<u>745</u>

(2) Collateral-related liabilities

Nil

Short-term loans receivables, investment securities, investment securities in subsidiaries and affiliates, and long-term loans receivable are pledged as collateral for the debts of subsidiaries and affiliated companies and other debts.

3. Accumulated Depreciation of Assets

Accumulated depreciation of tangible asset: Yen 216,723 million

4. Contingent Liabilities

(1) Guarantees

Liabilities for the below entities and employees are guaranteed.

	(Millions of Yen)
Alive Medicare Co., Ltd.	1,872
Secom Home Life Co., Ltd.	570
Seikeikai (Medical institution)	482
Sanwakai (Medical institution)	332
Other	371
Employees	218
<u>Total</u>	<u>3,848</u>

(2) Net Assets Maintaining Agreement

The Company entered into a net assets maintaining agreement with Secom General Insurance Co., Ltd., under which the Company is obligated to provide funds to Secom General Insurance Co., Ltd. if and when the net assets of Secom General Insurance Co., Ltd. become lower than the specified amount or its current assets necessary for the payment of its liabilities are insufficient. The total liabilities of Secom General Insurance Co., Ltd. at the end of the current fiscal year are Yen 176,909 million, including Yen 172,097 million of investment deposits by policyholders, unearned premiums and other insurance liabilities, and the total assets are Yen 188,547 million.

However, this agreement is not construed as the Company's guarantee with respect to payment obligations of Secom General Insurance Co., Ltd., and Secom General Insurance Co., Ltd. maintained net assets above the required level and its current assets were not insufficient at the end of the current fiscal year.

5. Financial Receivables/Payables of Subsidiaries and Affiliated Companies
(excluding those separately presented)

	(Millions of Yen)
Short-term receivables	15,409
Long-term receivables	139,258
Short-term payables	8,984
Long-term payables	186

Notes to Non-Consolidated Statement of Income

Transactions with Subsidiaries and Affiliated Companies

	(Millions of Yen)
Operating transactions	
Revenue	15,305
Amount of purchased costs and sub-contract costs	68,270
Non-operating transactions	8,634

Notes to Non-Consolidated Statements of Changes in Net Assets

Classes and Total Number of Treasury Stocks (Unit: 1 share)

Classes of shares	Number of shares at the end of the previous fiscal year	Increase in number of shares in the current fiscal year	Decrease in number of shares in the current fiscal year	Number of shares at the end of the current fiscal year
Common stock	8,323,599	6,930,313	2,392	15,251,520

(Outline of reasons for change)

The increase of 6,930,313 in the number of common stocks is due to the purchase of 6,913 shares constituting less than one unit and due to the purchase of 6,923,400 shares as treasury share pursuant to a resolution of the Board of Directors held on November 5, 2008.

The decrease of 2,392 in the number of common stocks is due to requests to sell such number of shares as will constitute, together with the shares constituting less than one unit of shares already held, one full unit.

Notes to Deferred Tax Accounting

1. The Significant Components of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred tax assets:	(Millions of Yen)
Impairment loss on Subsidiaries' and Affiliates' securities	6,626

[English Translation]

Allowance for doubtful accounts	5,415
Impairment loss	2,458
Accrued bonuses	2,242
Accrued pension and severance costs	2,025
Write-down on fixed assets	1,943
Other	4,429
Total deferred tax assets	25,140

Deferred tax liabilities:	(Millions of Yen)
Prepaid pension and severance costs	(5,897)
Other	(33)
Total deferred tax liabilities	(5,930)

	(Millions of Yen)
Net deferred tax assets	19,210

2. Summary of the Reconciliation between the Effective Tax Rate Reflected in the Financial Statements and the Statutory Tax Rate.

Statutory tax rate	40.5%
(Reconciliation)	
Permanently nondeductible expenses	(3.1)
Foreign tax credit	(0.7)
Per capita levy of corporate inhabitant tax	0.7
Research and development tax credits	(0.8)
Other	0.3
Effective tax rate after the adoption of deferred tax accounting	36.9%

Notes to Fixed Assets under Leases

1. Finance lease transactions commencing on or before March 31, 2008 other than those deemed to transfer the ownership of the leased assets to the lessees
Besides the ones booked as fixed assets on the balance sheet of the Company, some of buildings, automobiles and tools, furniture and fixtures are used based on the finance lease contracts other than those deemed to transfer the ownership of the leased assets to the lessees.

- 1) The Amount Equivalent to Acquisition Cost, the Amount Equivalent to Accumulated Depreciation, and the Amount Equivalent to Year-End Balance of Leased Assets

	(Millions of Yen)
Amount equivalent to acquisition cost	
Buildings	5,184
Automobiles	1,700
Tools furniture and fixtures	936
Total	7,821

	(Millions of Yen)
Amount equivalent to accumulated depreciation	
Buildings	2,273
Automobiles	1,059
<u>Tools furniture and fixtures</u>	<u>725</u>
Total	4,059

	(Millions of Yen)
Amount equivalent to year-end balance	
Buildings	2,911
Automobiles	640
<u>Tools furniture and fixtures</u>	<u>210</u>
Total	3,762

2) The Amount Equivalent to Year-End Balance of Future Minimum Lease Payments

	(Millions of Yen)
Within 1 year	641
<u>Over 1 year</u>	<u>4,108</u>
Total	4,749

3) Lease Payment Expenses, the Amount Equivalent to Depreciation Expenses, and the Amount Equivalent to Interest Expenses

	(Millions of Yen)
Lease payment expenses	1,166
Amount equivalent to depreciation expenses	953
Amount equivalent to interest expenses	238

4) Calculation Method of the Amount Equivalent to Depreciation Expenses and the Amount Equivalent to Interest Expenses

Calculation Method of the amount equivalent to depreciation expenses
 Depreciation expenses are calculated using the straight-line method which assumes that the period of the lease is the useful service life of the asset and sets the residual value to zero.

Calculation Method of the amount equivalent to interest expenses
 The amount equivalent to interest expenses is calculated as the difference between total lease payments and the amount equivalent to the acquisition cost of leased properties, and the interest method is used as the allocation method for each fiscal period.

2. Operating Leases

1) Lessee	(Millions of Yen)
Future lease payments	
Within 1 year	2,171
<u>Over 1 year</u>	<u>27,113</u>
Total	29,285

2) Lessor

(Millions of Yen)

Future lease payments to be received	
Within 1 year	769
Over 1 year	8,637
Total	9,407

Notes to Transactions with Related Parties

Type	Name of Company	Address	Capital (Millions of Yen)	Business content	Voting Rights Held by Company (Indirect) (%)	Relationship	
						Concurrent posts of Directors and Corporate Auditors	Business relationship
Subsidiary	Secom Techno Service Co., Ltd.	Nakano -ku, Tokyo	2,357	Installation of security systems	67.8 (0.0)	-	Construction subcontractor
Subsidiary	Secom Medical System Co., Ltd.	Shibuya -ku, Tokyo	6,545	Medical service	100.0	3 persons	Loan and investment of funds
Subsidiary	Secom Home Life Co., Ltd.	Shibuya -ku, Tokyo	3,700	Real estate development and sales	99.9	2 persons	Loan and investment of funds
Subsidiary	Secom Credit Co., Ltd.	Shibuya -ku, Tokyo	400	Lease	100.0	2 persons	Loan and investment of funds
Subsidiary	Secom General Insurance Co., Ltd.	Chiyoda -ku, Tokyo	14,558	Non-life insurance service	96.2	1 persons	investment of funds

	Transactions	Amount of Transactions (Millions of Yen)	Account	Year-end Balance (Millions of Yen)
Secom Techno Service Co., Ltd.	Installation costs (Note 2)	39,810	Payable-other	3,295
			Payable-construction	1,087

[English Translation]

Secom Medical System Co., Ltd.	Execution of loans (Collection of loans)	8,745	Short-term loans receivable	3,817
	Receipt of interests (Note 3)	(4,338)	long-term loans receivable	37,802
Secom Home Life Co., Ltd.	Execution of loans (Collection of loans)	82,940	Long-term loans receivable (Note 4)	63,883
	Receipt of interests (Note 3)	(24,717)		
Secom Credit Co., Ltd.	Execution of loans (Collection of loans)	821	Long-term loans receivable	19,600
	Receipt of interests (Note 3)	11,300		
Secom General Insurance Co., Ltd.	Investment	(10,700)	Investments in subsidiaries and affiliates	27,686
		459		

(Notes)

1. Consumption taxes are not included in the transaction amounts listed above. However, consumption taxes are included in the year-end balances.
2. The installation costs are determined by price negotiations, taking market prices into consideration.
3. The Interest in the above loans is determined by making reference to market interest rates and other factors.
4. The amount of Yen 6,520 million has been accrued as allowance for doubtful accounts for the long-term loans receivable to Secom Home Life Co., Ltd. in the current fiscal year.
5. The Company subscribed to a capital increase through third-party allotment conducted by Secom General Insurance Co., Ltd. at Yen 193 per share.

Notes to the Business Combination

Not applicable

Notes to Per-Share Information

Net assets per share:	Yen 2,315.81
Net income per share:	Yen 145.76

[English Translation]

Certified Copy of the Accounting Auditors' Report (Consolidated)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

Date May 19, 2009

The Board of Directors
SECOM Co., Ltd.

KPMG AZSA & Co.

Toshiya Mori (Seal)
Designated and Engagement Partner
Certified Public Accountant

Kentaro Maruta (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of SECOM Co., Ltd. as of March 31, 2009 and for the year from April 1, 2008 to March 31, 2009 in accordance with Article 444(4) of the Companies Act. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of SECOM Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Certified Copy of the Accounting Auditors' Report
(Non-Consolidated)**

[English Translation of the Auditors' Report Originally Issued in the Japanese
Language]

Independent Auditors' Report

Date May 19, 2009

The Board of Directors
SECOM Co., Ltd.

KPMG AZSA & Co.

Toshiya Mori (Seal)
Designated and Engagement Partner
Certified Public Accountant

Kentaro Maruta (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and its supporting schedules of SECOM Co., Ltd. as of March 31, 2009 and for the 48th business year from April 1, 2008 to March 31, 2009 in accordance with Article 436(2)(i) of the Companies Act. The statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of SECOM Co., Ltd. for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of the Board of Corporate Auditors' Report

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Audit Report

May 20, 2009

Mr. Kanemasa Haraguchi
President and Representative Director
SECOM Co., Ltd.

Board of Corporate Auditors of
SECOM Co., Ltd.

Teruo Ogino (Seal)
Corporate Auditor (full-time)

Ken Tsunematsu (Seal)
Outside Corporate Auditor

Hiroshi Yasuda (Seal)
Outside Corporate Auditor

Kohei Yamashita (Seal)
Outside Corporate Auditor

The Board of Corporate Auditors has received the audit reports of the performance of duties of the Directors during the 48th business term from April 1, 2008 through March 31, 2009 from each of the Corporate Auditors. After deliberating such reports, we have prepared this Audit Report and report as follows.

1. Method and Details of Audit Performed by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors established the audit policy and audit plan for the current fiscal year, received reports on the status and results of audits from each Corporate Auditor, received reports on the status of execution of duties from Directors and accounting auditors, and requested explanations when necessary.

Each of the auditors, in accordance with the audit policy of the current fiscal year and audit plan, etc. set up by the Board of Corporate Auditors, worked to communicate with Directors, the internal audit division and other employees, made efforts to gather information and establish the audit environment, in addition to attending the meetings of the Board of Directors and other important meetings, receiving reports from the Directors and other managers on their duties, requesting explanations when necessary, inspecting documents concerning matters such as important decisions, and investigating the conditions of the business and financial conditions at the head office and the principal offices. Furthermore, to ensure the execution of the duties of Directors complied with laws and regulations and the Articles of Incorporation and to ensure appropriate joint-stock company operations, Corporate Auditors also monitored and investigated the details of the resolution of the Board of Directors on the establishment of a system stipulated in Paragraph 1 and Paragraph 3 of Article 100 of the Ordinances for Enforcement of the Companies Act and the status of the system (internal control system) established based on such resolution. We worked to communicate and exchange information with the Directors and Corporate Auditors of subsidiaries and received reports on operations from subsidiaries when necessary. The above methods were used to examine the business report and accompanying schedule for the current fiscal year.

The Board of Corporate Auditors received reports on internal control regarding financial reports from Directors and KPMG AZSA & Co. about discussion between Directors and the accounting auditors, evaluation of internal control of the Company and audit circumstance,

[English Translation]

also requested explanations when necessary. With respect to subsidiaries, Corporate Auditors has endeavored to exchange information and promote understanding and, whenever deemed necessary, obtained reports from Directors and Corporate Auditors of subsidiaries.

On the basis of the forgoing procedures, the Board of Corporate Auditors has considered the Business Report and accompanying schedules.

Furthermore, in addition to monitoring and examining whether the accounting auditors maintained an independent position and performed auditing appropriately, we received reports from the accounting auditors on the execution of their duties and requested explanations when necessary. In addition, we received notice from the accounting auditors that “The systems for ensuring the proper execution of duties” (set forth in each Item of Article 131 of the Ordinance for Corporate Accounting) is organized in accordance with the “Standers for Quality Control of Audit” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose. Based on the above methods, we examined the financial statements (balance sheet, statement of income, statement of changes in net assets, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, notes to consolidated financial statements) for the current fiscal year.

2. Result of audit

(1) Result of audit of business report, etc.

- i) The Business Report and accompanying schedules fairly represent the condition of the company in accordance with laws and regulations and the Articles of Incorporation of the Company.
- ii) We have determined that there were no serious occurrences of unjust activity or violations of any laws or regulations or the Articles of Incorporation of the Company by any of the Directors in carrying out their duties.
- iii) We believe the contents of the resolution of the Board of Directors regarding the internal control system are appropriate. We found no matters to note regarding the execution of duties of Directors regarding the internal control system, as well as the internal control system regarding financial reports.

(2) Result of audit of financial statements and accompanying schedules

In our opinion, the audit procedures and audit results of the accounting auditor KPMG AZSA & Co. are appropriate.

(3) Result of audit of consolidated financial statements

In our opinion, the audit procedures and audit results of the accounting auditor KPMG AZSA & Co. are appropriate.

Reference Document Concerning the General Meeting of Shareholders

Proposals and Reference Items

First Item of Business: Proposed Distribution of Surplus

The Company considers the return of the Company profits on a long-term basis to shareholders the most important task of the management. Management determines the dividend payout ratio and the level of internal reserves in overall consideration of the future expansion of the Company's business and profitability while keeping in line with the basic policy that ensures the continued and stable dividend payments.

Our basic policy of distribution of surplus in the form of dividend payment is to propose annual year-end cash dividends to the ordinary general meeting of shareholders. Furthermore, in order to reflect the operating conditions of the Company as a consolidated group, the Company's dividend is determined on the basis of its consolidated results of operation.

The Company intends to use internal reserves for investments required for increased new customer contracts, research and development and other strategic investments so as to ensure to strengthen our corporate structure and expand our business.

Based on the aforesaid policies, it is proposed that the year-end cash dividends for the 48th Business Term (from April 1, 2008 through March 31, 2009) be Yen 85 per share, to meet shareholders continued support, as set for below:

- (1) Kind of dividend: cash
- (2) Dividend and total amount thereof:
Yen 85 per share of common stock; the total amount: Yen 18,533,161,745
- (3) Commencement date of distribution of dividend: June 26, 2009

Second Item of Business: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

By virtue of coming into force of the “Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trade of Stocks and Other Securities” (Law No.88, 2004) (hereinafter referred to as the “Settlement Streamlining Law”) on January 5, 2009, all the shares of the Company became subject to the book-entry transfer system. It is proposed to make necessary amendments to the Articles of Incorporation to comply with this change, as stated below:

- (1) Since under the new system the Company no longer is permitted to issue share certificates and accordingly is deemed to have adopted a resolution to amend the Articles of Incorporation by deleting the provisions to issue share certificates on the effective date of the Settlement Streamlining Law, the Company will delete the provisions to issue share certificates. At the same time, the Company will delete the provisions concerning the denomination of share certificates, certificates for shares constituting less than one unit and the register of lost share certificates. (Article 7, Paragraph 2; Article 7, Paragraph 3; Article 11, Paragraph 3).

In addition, the register of lost share certificates has to be prepared and maintained until the day on which one year has elapsed from the day following the effective date of the “Settlement Streamlining Law”. The Company will, as an interim measure, establish the supplemental provision for handling of the register of lost share certificates. This supplemental provision will be deleted on January 6, 2010.

- (2) In line with the abolition of the “Law Concerning Central Securities Depository and Book-Entry Transfer”, the Company will delete the provisions relating to beneficial shareholders and beneficial shareholders’ register from the Articles of Incorporation. (Article 8; Article 11, Paragraph 3)

2. Details of amendments:

The details of amendments are as follows:

[English Translation]

(The underlined parts are changed parts.)

Current Articles of Incorporation	Proposed changes
<p>(Number of Shares per Unit <u>and Non-Issuance of Share Certificates for Shares Constituting Less Than One Unit</u>)</p> <p>Article 7. The number of shares of the Company per one unit shall be 100 shares.</p> <p>2. <u>The Company shall issue certificates for shares. The denomination of shares to be issued by the Company shall be governed by the Share Handling Regulations established by the Board of Directors.</u></p> <p>3. <u>Notwithstanding the preceding Paragraph, the Company may not issue share certificates for Shares Constituting Less Than One Unit.</u></p> <p>(Additional Purchase of Shares Constituting Less Than One Unit)</p> <p>Article 8. The shareholders <u>(including beneficial shareholders; the same hereinafter applicable)</u> may request the Company to sell them the number of shares that together with those Shares Constituting Less Than One Unit already held shall constitute one full unit in accordance with the Share Handling Regulations.</p> <p>(Administrator of Shareholder’s Register)</p> <p>Article 11. The Company shall have an administrator of the shareholders’ register.</p> <p>2. The administrator of the shareholders’ register and the place of business shall be determined by resolution of the Board of Directors and a public notice therefor shall be given.</p> <p>3. Preparation and maintenance of the shareholders’ register <u>(including the beneficial shareholders’ register; the same hereinafter applicable), the register of lost share certificates</u> and the register of stock acquisition rights of the Company, and other business relating to the shareholders’ register, <u>the register of lost share certificates</u> and the register of stock acquisition rights shall be handled by the administrator of the shareholders’ register and the Company shall not handle any of such business directly.</p> <p>(Newly provided)</p>	<p>(Number of Shares per Unit)</p> <p>Article 7. The number of shares of the Company per one unit shall be 100 shares. (Deleted)</p> <p>(Deleted)</p> <p>(Additional Purchase of Shares Constituting Less Than One Unit)</p> <p>Article 8. The shareholders may request the Company to sell them the number of shares that together with those Shares Constituting Less Than One Unit already held shall constitute one full unit in accordance with the Share Handling Regulations.</p> <p>(Administrator of Shareholder’s Register)</p> <p>Article 11. The Company shall have an administrator of the shareholders’ register.</p> <p>2. The administrator of the shareholders’ register and the place of business shall be determined by resolution of the Board of Directors and a public notice therefor shall be given.</p> <p>3. Preparation and maintenance of the shareholders’ register and the register of stock acquisition rights of the Company, and other business relating to the shareholders’ register and the register of stock acquisition rights shall be handled by the administrator of the shareholders’ register and the Company shall not handle any of such business directly.</p> <p><u>Supplemental provision:</u></p> <p><u>Preparation and maintenance of the register of lost share certificates, and other business relating to the register of lost share certificates shall be handled by the administrator of the shareholders’ register and the Company shall not handle any of such business directly.</u></p>

Third Item of Business: Election of Eleven (11) Directors

The term of office of all of the eleven (11) Directors will expire at the close of this meeting. Therefore, it is proposed to reelect ten (10) Directors and elect a new Director.

The candidates are as follows:

	Name (Date of Birth)	Profile (Title, Responsibility, and Representatives for Other Companies)	The number of Shares Held
1	Makoto Iida (April 1, 1933)	Jul 1962 President and Representative Director (Founder) Feb 1976 Chairman and Representative Director Jun 1997 Supreme Advisor and Director (currently)	4,320,500
2	Juichi Toda (March 7, 1932)	Jul 1962 Senior Executive Director (Co-founder) Feb 1976 Executive Vice Chairman and Representative Director Jun 1997 Supreme Advisor and Director (currently)	3,152,216
3	Shohei Kimura (May 2, 1943)	Apr 1967 Joined SECOM Co., Ltd. Feb 1985 Director Feb 1988 Executive Director Jun 1995 Senior Executive Director Apr 2002 President and Representative Director Jun 2004 President and Representative Director and Executive Officer Apr 2005 Chairman and Director (currently) (Representatives for other companies, etc.) Chairman, Tokyo Security Service Association	37,300
4	Kanemasa Haraguchi (August 7, 1950) *	Apr 1974 Joined SECOM Co., Ltd. Jun 1990 Director Jun 1995 Executive Director Jun 1997 Senior Executive Director Jun 2002 Director and Executive Vice President Jun 2004 Director and Executive Vice President and Executive Officer Apr 2005 President and Representative Director (currently)	10,544
5	Katsuhisa Kuwahara (May 9, 1948) *	Apr 1971 Joined SECOM Co., Ltd. Jun 1990 Director Jun 1995 Executive Director Jun 2004 Director and Managing Executive Officer Apr 2005 Executive Director (currently)	3,500
6	Shuji Maeda (September 27, 1952) *	Jan 1981 Joined SECOM Co., Ltd. Jun 1997 Director Jun 2000 Executive Director Jun 2004 Director and Managing Executive Officer Apr 2005 Executive Director (currently)	5,200

	Name (Date of Birth)	Profile (Title, Responsibility, and Representatives for Other Companies)	The number of Shares Held
7	Yasuo Nakayama (November 1, 1952) *	Jul 2001 Advisor to the Governor, Secretariat of the Policy Board, The Bank of Japan Jul 2003 Branch Manager, Nagoya Branch, The Bank of Japan Jul 2005 Director-General, Secretariat of the Policy Board, The Bank of Japan Apr 2007 Personnel and Corporate Affairs Department, The Bank of Japan May 2007 Advisor, SECOM Co., Ltd. Jun 2007 Executive Director (currently)	2,300
8	Koichi Sato (February 5, 1953) *	Apr 1976 Joined SECOM Co., Ltd. Apr 2004 General Manager, Operations Department Jun 2004 Executive Officer Jun 2005 Managing Executive Officer Jun 2007 Executive Director (currently) Jun 2008 President and Representative Director, Secom Joshinetsu Co., Ltd. (currently)	1,488
9	Fumio Obata (July 6, 1946) *	Apr 1996 General Manager, Business Development Department, The Mitsubishi Bank, Ltd. (Presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Nov 1998 Senior Executive Director, The Long-Term Credit Bank of Japan (under state control then; presently The Shinsei Bank, Ltd.) Mar 2000 Associate Manager, Strategic Planning Division, SECOM Co., Ltd. Jun 2000 General Manager, Medical Services Department Jun 2000 Director (currently) Mar 2002 President and Representative Director, Secom Medical System Co., Ltd. (currently) Jun 2004 Executive Officer (currently)	2,400
10	Takayuki Ito (January 2, 1954) *	Jun 2000 General Manager, Hibiya Branch, The Sanwa Bank, Ltd. (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jul 2002 General Manager, Muromachi Branch and Corporate Sales Department, UFJ Bank Limited. (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jun 2005 Advisor, SECOM Co., Ltd. Jun 2006 Executive Officer (currently) Jun 2007 Director (currently)	200
11	Hiroshi Ito (February 7, 1952) *	Feb 1979 Joined SECOM Co., Ltd. May 1989 Executive Director, Secom Mie Co., Ltd. Jun 2000 Director (up to Jun 2004) Jun 2003 President and Representative Director, Secom Information System Co., Ltd. (currently Secom Trust Systems Co., Ltd.) (Currently) Jun 2004 Executive Officer (currently) Jun 2008 General Manager, Human Resource Department (currently)	3,100

(Notes) 1. There is no particular interest between the Company and each of the said candidates.

2. Asterisk marks (*) indicate incumbent Executive Officer of the Company.

Fourth Item of Business: Presentation of Retirement Allowance to Retiring Director

It is proposed that retirement allowance be paid to Mr. Seiichiro Kobayashi who will resign as a Director upon the expiration of the term at the close of this general meeting of shareholders, in reasonable amount determined in accordance with the specified standards of the Company to reward his meritorious service to the Company. It is also proposed that the determination of the amount, the date of payment thereof, the methods and other matters in relation thereto be entrusted to the Board of Directors.

The profile of the retiring Director is as follows:

Name	Profile	
Seiichiro Kobayashi	Feb 1988	Director
	Jun 1997	Executive Director
	Jun 2004	Retired Executive Director
	Jun 2007	Executive Director (currently)

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