

**CONSOLIDATED QUARTERLY FINANCIAL REPORT
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006**

January 31, 2007

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Osaka Securities Exchange ----- First Section
 Corporate headquarters: Tokyo, Japan
 Representative: Kanemasa Haraguchi, President and Representative Director
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1. Basis of the quarterly financial report

1. Adoption of simplified procedure in accounting processing: Not applicable
2. Change in accounting policy from the last fiscal year: Applicable
3. Change in the scope of consolidation: Applicable

Number of consolidated subsidiaries: Additions = 42, Deletions = 4

Number of affiliated companies accounted for under the equity method:

Additions = 6, Deletions = 4

2. Summary of the consolidated financial statements for the 3rd quarter of the fiscal year ended March 31, 2007 (April 1, 2006 – December 31, 2006)

(1) Consolidated operating results

(In millions of yen, figures rounded down)

	Nine months ended December 31		Year ended March 31, 2006
	2006	2005	
Revenue	410,539	399,506	567,315
% change from the previous year	2.8%	4.7%	
Operating profit	64,963	62,222	94,109
% change from the previous year	4.4%	14.2%	
Ordinary profit	69,269	64,711	96,669
% change from the previous year	7.0%	17.9%	
Net income	40,511	36,244	52,994
% change from the previous year	11.8%	6.0%	
Basic net income per share (in yen)	180.07	161.08	234.28
Diluted net income per share (in yen)	-	-	-

Note: Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding periods of the previous year.

(2) Consolidated financial conditions (In millions of yen, figures rounded down)

	December 31, 2006	December 31, 2005	March 31, 2006
Total assets	1,170,016	1,125,849	1,149,377
Net assets	577,925	478,045	496,164
Equity ratio	44.4%	42.5%	43.2%
Net assets per share (in yen)	2,310.44	2,124.72	2,204.06

Note: Net assets as of December 31, 2005, and March 31, 2006, do not include minority interest in subsidiaries.

(3) Consolidated cash flows (In millions of yen, figures rounded down)

	Nine months ended December 31		Year ended March 31, 2006
	2006	2005	
Cash flows from operating activities	(60,637)	11,646	41,607
Cash flows from investing activities	21,894	(7,998)	(113)
Cash flows from financing activities	(13,911)	(5,662)	(6,168)
Cash and cash equivalents at end of the period	176,324	191,164	228,745

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2007 (April 1, 2006 – March 31, 2007) (In millions of yen)

	Year ending March 31, 2007
Projected revenue	618,900 9.1%
Projected operating profit	99,700 5.9%
Projected ordinary profit	103,700 7.3%
Projected net income	58,700 10.8%

Projected basic net income per share (for the full year): JPY 260.92

Note 1. Projection statements above include estimates based on current plans, assumptions and prospects and may differ from actual performance because of risks and uncertainties.

Note 2. Percentage numbers shown in revenue, operating profit, ordinary profit and net income represent the change from the results of the corresponding periods of the previous year.

Note: Major changes in consolidation during the third quarter

On December 8, 2006, SECOM Co., Ltd., acquired 18,500,000 shares newly offered by Nohmi Bosai Ltd., an affiliated company accounted for under the equity method. With this move, SECOM increased its stake in Nohmi Bosai to 50.9% of voting rights, from 29.1%, thereby making the company a consolidated subsidiary.

By acquiring these newly offered shares, SECOM—which has always been Nohmi Bosai’s largest shareholder—intends to reinforce its relationship with the company. By integrating SECOM’s expertise in security systems with Nohmi Bosai’s fire protection technologies, this move will facilitate the development of highly original services and products that will enable the SECOM Group to cultivate new markets. This share acquisition will also facilitate the concentration of management resources to take advantage of the respective strengths of the two companies—by, for example, consigning production of fire alarms and security systems and products, and promoting joint product development—thereby broadening the capabilities of the SECOM Group and contributing to further growth.

Because the share acquisition took place near the end of the third quarter, Nohmi Bosai’s balance sheet has been consolidated since the end of the third quarter, and the income statement since the fourth quarter. Nohmi Bosai and its subsidiaries are included in the new “fire protection services” business segment, which was established in the third quarter.

Consolidated Balance Sheets

(In millions of yen)

	December 31, 2006		December 31, 2005		March 31, 2006	
	Amount	% of total assets	Amount	% of total assets	Amount	% of total assets
ASSETS:						
Current assets:	535,665	45.8%	540,439	48.0%	551,959	48.0%
Cash on hand and in banks	269,426		269,274		271,780	
Call loan	-		-		25,000	
Notes and accounts receivable, trade	64,888		37,991		52,667	
Due from subscribers	19,148		19,057		17,678	
Short-term investments	42,812		81,972		83,809	
Inventories	110,310		69,090		64,194	
Deferred income taxes	7,474		7,158		9,462	
Short-term loans receivable	5,557		43,580		15,564	
Other	17,100		14,438		13,419	
Allowance for doubtful accounts	(1,052)		(2,124)		(1,617)	
Fixed assets:	634,092	54.2%	585,352	52.0%	597,370	52.0%
Tangible assets:	263,681	22.5%	230,656	20.5%	234,066	20.4%
Buildings and improvements	87,628		75,644		77,270	
Security equipment and control stations	67,398		64,781		63,070	
Land	80,414		65,403		65,542	
Other	28,240		24,827		28,183	
Intangible assets	23,651	2.1%	27,241	2.4%	24,384	2.1%
Investments and others:	346,759	29.6%	327,454	29.1%	338,920	29.5%
Investment securities	233,422		244,562		231,096	
Long-term loans receivable	53,486		34,741		57,564	
Prepaid pension and severance costs	12,562		5,059		11,186	
Deferred income taxes	17,207		10,920		11,256	
Other	44,642		41,503		41,217	
Allowance for doubtful accounts	(14,561)		(9,333)		(13,401)	
Deferred assets	258	0.0%	57	0.0%	47	0.0%
Total assets	1,170,016	100.0%	1,125,849	100.0%	1,149,377	100.0%

Consolidated Balance Sheets (Contd.)

(In millions of yen)

	December 31, 2006		December 31, 2005		March 31, 2006	
	Amount	% of total assets	Amount	% of total assets	Amount	% of total assets
LIABILITIES:						
Current liabilities:	330,119	28.2%	286,523	25.4%	303,440	26.4%
Notes and accounts payable, trade	26,285		13,813		18,652	
Bank loans	138,634		118,077		112,868	
Current portion of straight bonds	10,356		31,210		32,210	
Payables - other	24,801		20,894		26,340	
Accrued income taxes	9,428		8,680		22,159	
Accrued consumption taxes	2,964		3,187		2,588	
Accrued expenses	2,672		2,152		2,085	
Deferred revenue	34,870		33,088		30,747	
Accrued bonuses	3,589		2,380		8,981	
Accrued bonuses to directors and corporate auditors	213		-		-	
Other	76,303		53,038		46,805	
Long-term liabilities:	261,971	22.4%	326,815	29.0%	314,303	27.3%
Straight bonds	14,198		12,375		11,180	
Long-term loans	13,905		9,485		13,444	
Guarantee deposits received	31,475		29,023		28,982	
Deferred income taxes	2,898		1,184		1,079	
Accrued pension and severance costs	17,868		12,078		11,362	
Accrued retirement benefits for directors and corporate auditors	2,170		-		1,565	
Investment deposits by policyholders, unearned premiums and other insurance liabilities	178,482		261,072		245,644	
Other	971		1,595		1,043	
Total liabilities	592,091	50.6%	613,338	54.4%	617,743	53.7%
MINORITY INTEREST IN SUBSIDIARIES	-	-	34,465	3.1%	35,469	3.1%
SHAREHOLDERS' EQUITY:						
Common stock	-	-	66,377	5.9%	66,377	5.8%
Capital surplus	-	-	83,054	7.4%	83,054	7.2%
Retained earnings	-	-	370,821	32.9%	388,077	33.8%
Unrealized gains (losses) on securities	-	-	15,379	1.4%	13,230	1.2%
Foreign currency translation adjustments	-	-	(12,867)	(1.1%)	(9,825)	(0.9%)
Common stock in treasury, at cost	-	-	(44,721)	(4.0%)	(44,749)	(3.9%)
Total shareholders' equity	-	-	478,045	42.5%	496,164	43.2%
Total liabilities, minority interest in subsidiaries and shareholders' equity	-	-	1,125,849	100.0%	1,149,377	100.0%
NET ASSETS:						
Shareholders' equity:	519,497	44.4%	-	-	-	-
Common stock	66,377	5.7%	-	-	-	-
Capital surplus	83,055	7.1%	-	-	-	-
Retained earnings	414,906	35.4%	-	-	-	-
Common stock in treasury, at cost	(44,842)	(3.8%)	-	-	-	-
Valuation, translation adjustments and others:	284	0.0%	-	-	-	-
Unrealized gains (losses) on securities	9,300	0.8%	-	-	-	-
Deferred gains (losses) on hedges	(13)	(0.0%)	-	-	-	-
Foreign currency translation adjustments	(9,002)	(0.8%)	-	-	-	-
Minority interest in subsidiaries	58,143	5.0%	-	-	-	-
Total net assets	577,925	49.4%	-	-	-	-
Total liabilities and net assets	1,170,016	100.0%	-	-	-	-

Consolidated Statements of Income

(In millions of yen)

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Change		Year ended March 31, 2006	
	Amount	% of revenue	Amount	% of revenue	Amount	%	Amount	% of revenue
Revenue	410,539	100.0%	399,506	100.0%	11,033	2.8%	567,315	100.0%
Costs of revenue	253,594	61.8%	245,225	61.4%	8,369	3.4%	351,020	61.9%
Gross profit	156,945	38.2%	154,281	38.6%	2,664	1.7%	216,294	38.1%
Selling, general and administrative expenses	91,982	22.4%	92,059	23.0%	(76)	(0.1%)	122,185	21.5%
Operating profit	64,963	15.8%	62,222	15.6%	2,740	4.4%	94,109	16.6%
Non-operating income	10,741	2.7%	10,560	2.6%	180	1.7%	15,792	2.8%
Non-operating expenses	6,434	1.6%	8,072	2.0%	(1,637)	(20.3%)	13,232	2.3%
Ordinary profit	69,269	16.9%	64,711	16.2%	4,558	7.0%	96,669	17.1%
Extraordinary profit	1,243	0.3%	1,846	0.5%	(603)	(32.7%)	9,349	1.6%
Extraordinary loss	1,480	0.4%	2,402	0.6%	(921)	(38.4%)	11,189	2.0%
Income before income taxes	69,032	16.8%	64,155	16.1%	4,877	7.6%	94,829	16.7%
Income taxes - current	24,154	5.9%	21,676	5.4%	2,477	11.4%	34,888	6.1%
Income taxes - deferred	2,435	0.6%	4,329	1.1%	(1,893)	(43.7%)	3,131	0.6%
Minority interest in subsidiaries	1,930	0.4%	1,905	0.5%	25	1.3%	3,815	0.7%
Net income	40,511	9.9%	36,244	9.1%	4,267	11.8%	52,994	9.3%

Consolidated Statement of Changes in Net Assets

Nine months ended December 31, 2006

(In 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, 2006	66,377	83,054	388,077	(44,749)	492,760
Changes during the period:					
Cash dividends			(13,499)		(13,499)
Bonuses to directors and corporate auditors			(168)		(168)
Net income			40,511		40,511
Purchase of treasury stock				(115)	(115)
Disposal of treasury stock		1		22	23
Effect of exclusion of a subsidiary			(15)		(15)
Net changes of items other than shareholders' equity					
Total changes during the period	-	1	26,828	(92)	26,737
Balance as of December 31, 2006	66,377	83,055	414,906	(44,842)	519,497

	Valuation, translation adjustments and others				Minority interest 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, 2006	13,230	-	(9,825)	3,404	35,469	531,634
Changes during the period:						
Cash dividends						(13,499)
Bonuses to directors and corporate auditors						(168)
Net income						40,511
Purchase of treasury stock						(115)
Disposal of treasury stock						23
Effect of exclusion of a subsidiary						(15)
Net changes of items other than shareholders' equity	(3,929)	(13)	822	(3,120)	22,673	19,553
Total changes during the period	(3,929)	(13)	822	(3,120)	22,673	46,291
Balance as of December 31, 2006	9,300	(13)	(9,002)	284	58,143	577,925

Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Year ended March 31, 2006
Cash flows from operating activities:			
Income before income taxes	69,032	64,155	94,829
Depreciation	27,638	26,616	37,436
Amortization of goodwill	1,046	1,421	1,863
Interest and dividend income	(4,195)	(4,738)	(7,332)
Interest expenses	1,276	1,264	1,721
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	5,885	9,627	(3,601)
(Increase) decrease in inventories	(29,807)	(28,232)	(24,088)
Increase (decrease) in accounts payable	(6,629)	(429)	9,979
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	(67,161)	(17,205)	(32,634)
Other	(24,779)	(17,120)	(15,866)
Subtotal	(27,693)	35,359	62,308
Interest and dividend received	5,702	6,050	9,570
Interest paid	(1,318)	(1,306)	(1,718)
Income taxes paid	(37,327)	(28,457)	(28,553)
Net cash provided by (used in) operating activities	(60,637)	11,646	41,608
Cash flows from investing activities:			
(Increase) decrease in short-term investments, net	21,260	(13,367)	867
Payments for purchases of tangible assets	(41,245)	(34,548)	(48,687)
Proceeds from sales of tangible assets	2,676	6,660	6,945
Payments for purchases of investment securities	(63,104)	(48,591)	(69,005)
Proceeds from sales of investment securities	92,477	74,387	99,889
(Increase) decrease in short-term loans receivable, net	(543)	774	3,064
Payments for long-term loans receivable	(6,094)	(14,481)	(15,327)
Proceeds from long-term loans receivable	14,465	25,742	27,995
Other	2,002	(4,574)	(5,855)
Net cash provided by (used in) investing activities	21,894	(7,998)	(113)
Cash flows from financing activities:			
Increase (decrease) in bank loans, net	27,313	9,878	4,387
Proceeds from long-term loans	4,734	527	7,459
Repayments of long-term loans	(6,444)	(5,641)	(7,356)
Dividends paid	(13,499)	(11,251)	(11,251)
Dividends paid for minority shareholders	(1,020)	(942)	(942)
Payments for redemption of straight bonds	(31,165)	(645)	(840)
Other	6,170	2,412	2,375
Net cash provided by (used in) financing activities	(13,911)	(5,662)	(6,168)
Effect of exchange rate changes on cash and cash equivalents	233	228	470
Net increase (decrease) in cash and cash equivalents	(52,420)	(1,785)	35,796
Cash and cash equivalents at beginning of the period	228,745	192,950	192,950
Cash and cash equivalents at end of the period	176,324	191,164	228,746

Business Segment Information

(In millions of yen)

	Nine months ended December 31, 2006							
	Security services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:								
Customers	300,633	23,107	19,891	21,148	45,759	410,539	-	410,539
Intersegment	7,505	173	2,027	54	5,815	15,577	(15,577)	-
Subtotal	308,138	23,281	21,918	21,202	51,574	426,117	(15,577)	410,539
Operating costs and expenses	230,998	22,170	24,828	24,364	48,870	351,232	(5,655)	345,576
Operating profit (loss)	77,140	1,111	(2,909)	(3,161)	2,704	74,884	(9,921)	64,963

(In millions of yen)

	Nine months ended December 31, 2005							
	Security services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:								
Customers	288,767	22,456	20,960	20,209	47,113	399,506	-	399,506
Intersegment	5,907	163	1,858	82	3,708	11,719	(11,719)	-
Subtotal	294,674	22,619	22,818	20,291	50,821	411,226	(11,719)	399,506
Operating costs and expenses	220,392	21,701	25,140	23,405	48,120	338,759	(1,475)	337,284
Operating profit (loss)	74,282	918	(2,322)	(3,113)	2,701	72,466	(10,244)	62,222

(In millions of yen)

	Year ended March 31, 2006							
	Security services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:								
Customers	393,479	29,048	29,260	35,271	80,255	567,315	-	567,315
Intersegment	8,258	220	2,495	113	6,405	17,492	(17,492)	-
Subtotal	401,737	29,268	31,756	35,384	86,661	584,808	(17,492)	567,315
Operating costs and expenses	299,718	28,125	34,923	33,695	80,545	477,008	(3,802)	473,205
Operating profit (loss)	102,019	1,143	(3,167)	1,689	6,115	107,799	(13,689)	94,109