

**QUARTERLY FINANCIAL REPORT  
FOR THE THREE MONTHS ENDED JUNE 30, 2008**

August 5, 2008

Company name: SECOM Co., Ltd. (URL: <http://www.secom.co.jp>)  
 Code number: 9735 Tokyo Stock Exchange ----- First Section  
 Osaka Securities Exchange ----- First Section  
 Representative: Kanemasa Haraguchi, President and Representative Director  
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 Scheduled date of filing Reviewed Financial Statements: August 14, 2008

1. Summary of the consolidated financial information for the 1st quarter of the fiscal year ending March 31, 2009 (April 1, 2008 – June 30, 2008)

(1) Consolidated operating results (In millions of yen, figures rounded down)

	Three months ended June 30	
	2008	2007
Revenue	157,667	155,185
	-	18.5%
Operating profit	23,514	22,756
	-	11.1%
Ordinary profit	25,087	24,570
	-	13.9%
Net income	13,557	13,534
	-	6.6%
Basic net income per share (in yen)	60.26	60.16
Diluted net income per share (in yen)	-	-

Note: Percentage figures represent changes from the results of the corresponding period of the previous year.

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

	June 30, 2008	March 31, 2008
Total assets	1,145,127	1,202,840
Net assets	618,490	630,274
Equity ratio	48.5%	47.2%
Net assets per share (in yen)	2,471.05	2,521.45

Note: Equity as of:

June 30, 2008: JPY 555,900 million March 31, 2008: JPY 567,238 million

2. Dividends (In millions of yen, figures rounded down)

	Years ended March 31		
	2009 (projected)	2009	2008
The 1 <sup>st</sup> quarter dividends per share (in yen)	-	-	-
The 2 <sup>nd</sup> quarter dividends per share (in yen)	-	-	-
The 3 <sup>rd</sup> quarter dividends per share (in Yen)	-	-	-
Year-end dividends per share (in yen)	85.00 – 90.00	-	85.00
Annual dividends per share (in yen)	85.00 – 90.00	-	85.00

Note: Revision of estimated dividends in this quarter: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(In millions of yen)

	Six months ending September 30, 2008	Year ending March 31, 2009
Projected revenue	339,600 -	716,900 5.0%
Projected operating profit	52,000 -	110,900 5.9%
Projected ordinary profit	54,500 -	119,700 4.7%
Projected net income	31,600 -	67,500 9.7%
Projected net income per share (in yen)	140.47	300.05

Note: Percentage figures represent changes from the results of the corresponding period of the previous year.

Note: Revision of projections for the consolidated financial results in this quarter: None

4. Others

(1) Significant changes in subsidiaries during the period: None

(2) Adoption of simplified accounting treatment or unique accounting treatment for the quarterly consolidated financial statements : Yes

(3) Change in accounting policy, procedures and/or presentation with regard to preparation of quarterly consolidated financial statements (to be reported as change of important matters for the basis of quarterly consolidated financial statements):

Changes associated with amendment of accounting standards: Yes

Other changes: Yes

(4) Number of common shares outstanding :

Number of common shares outstanding, including treasury stock, as of:

June 30, 2008: 233,288,717 shares                      March 31, 2008: 233,288,717 shares

Number of shares of treasury stock, as of:

June 30, 2008: 8,323,980 shares                      March 31, 2008: 8,323,599 shares

Number of average common shares outstanding, for the three months ended:

June 30, 2008: 224,964,848 shares                      June 30, 2007: 224,969,248 shares

\* Note 1: The forward-looking statements about the future performance described in this document are provided based on all information available at the release date of this document. Actual performance may differ from the forward-looking statements due to various factors hereafter occurred.

Note 2: Effective from the fiscal year ending March 31, 2009, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12 issued March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued March 14, 2007) were applied. Also, quarterly financial statements are prepared in accordance with “Rules for Quarterly Consolidated Financial Statements.”

## Consolidated Balance Sheets

(In millions of yen)

	June 30, 2008	March 31, 2008
	Amount	Amount
<b>ASSETS:</b>		
Current assets:	<b>470,746</b>	<b>547,538</b>
Cash on hand and in banks	152,758	200,403
Cash deposits for armored car services	64,136	63,696
Call loans	5,000	19,000
Notes and accounts receivable, trade	59,257	85,595
Due from subscribers	20,291	21,125
Short-term investments	15,044	9,306
Merchandises and products	12,421	10,758
Raw materials and supplies	6,096	6,010
Work in process	2,989	2,575
Expenditure on contracts in process	8,396	7,736
Real estate inventories	15,384	17,213
Work in process for real estate inventories	78,042	73,016
Deferred income taxes	9,234	11,840
Short-term loans receivable	6,959	7,246
Other	16,521	13,827
Allowance for doubtful accounts	(1,787)	(1,813)
Fixed assets:	<b>674,039</b>	<b>654,936</b>
Tangible assets:	<b>270,268</b>	<b>265,348</b>
Buildings and improvements	85,893	84,545
Security equipment and control stations	66,980	65,450
Land	83,605	81,716
Other	33,789	33,636
Intangible assets	<b>23,036</b>	<b>22,332</b>
Investments and others:	<b>380,734</b>	<b>367,255</b>
Investment securities	251,541	241,957
Long-term loans receivable	56,737	54,599
Prepaid pension and severance costs	18,086	17,834
Deferred income taxes	24,163	22,740
Other	47,665	47,579
Allowance for doubtful accounts	(17,460)	(17,455)
Deferred assets	<b>342</b>	<b>365</b>
Total assets	1,145,127	1,202,840

## Consolidated Balance Sheets (Contd.)

	June 30, 2008	March 31, 2008
	Amount	Amount
<b>LIABILITIES:</b>		
Current liabilities:	<b>268,836</b>	<b>319,737</b>
Notes and accounts payable, trade	25,668	30,459
Bank loans	111,340	136,034
Current portion of straight bonds	1,756	1,936
Payables - other	20,310	28,988
Accrued income taxes	9,931	24,610
Accrued consumption taxes	3,529	3,456
Accrued expenses	3,654	3,641
Deferred revenue	34,950	32,061
Accrued bonuses	7,614	12,210
Other	50,079	46,337
Long-term liabilities:	<b>257,800</b>	<b>252,828</b>
Straight bonds	17,383	13,524
Long-term loans	18,486	20,024
Guarantee deposits received	33,553	32,532
Deferred income taxes	5,048	5,042
Accrued pension and severance costs	16,065	16,096
Accrued retirement benefits for directors and corporate auditors	2,204	2,220
Investment deposits by policyholders, unearned premiums and other insurance liabilities	164,069	162,329
Other	986	1,057
Total liabilities	526,636	572,565
<b>NET ASSETS:</b>		
Shareholders' equity:	<b>574,957</b>	<b>580,543</b>
Common stock	66,377	66,377
Capital surplus	83,056	83,056
Retained earnings	470,402	475,987
Common stock in treasury, at cost	(44,879)	(44,877)
Valuation, translation adjustments and others:	<b>(19,057)</b>	<b>(13,304)</b>
Unrealized gains (losses) on securities	(697)	(3,306)
Deferred gains (losses) on hedges	(39)	(90)
Foreign currency translation adjustments	(18,320)	(9,907)
Minority interest in subsidiaries	<b>62,590</b>	<b>63,035</b>
Total net assets	618,490	630,274
Total liabilities and net assets	1,145,127	1,202,840

**Consolidated Statement of Income**

(In millions of yen)

	Three months ended June 30, 2008
	Amount
Revenue	157,667
Costs of revenue	97,841
Gross profit	59,826
Selling, general and administrative expenses	36,312
Operating profit	23,514
Non-operating income	3,853
Non-operating expenses	2,279
Ordinary profit	25,087
Extraordinary profit	12
Extraordinary loss	199
Income before income taxes	24,900
Income taxes - current	9,600
Income taxes - deferred	709
Total income taxes	10,309
Minority interest in subsidiaries	1,033
Net income	13,557

**Consolidated Statement of Cash Flows**

(In millions of yen)

	Three months ended June 30, 2008
<b>Cash flows from operating activities:</b>	
Income before income taxes	24,900
Depreciation	9,467
Amortization of goodwill	450
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(1,819)
Interest and dividend income	(1,628)
Interest expenses	589
Net (gains) losses from sales of investment securities	(377)
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	26,882
(Increase) decrease in inventories	(6,237)
Increase (decrease) in accounts payable	(13,498)
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	1,739
Other	(206)
Subtotal	40,263
Interest and dividends received	2,898
Interest paid	(581)
Income taxes paid	(23,863)
Net cash provided by (used in) operating activities	18,716
<b>Cash flows from investing activities:</b>	
(Increase) decrease in short-term investments, net	(3,725)
Payments for purchases of tangible assets	(13,161)
Proceeds from sales of tangible assets	65
Payments for purchases of investment securities	(29,116)
Proceeds from sales of investment securities	14,502
(Increase) decrease in short-term loans receivable, net	(542)
Payments for long-term loans receivable	(3,079)
Proceeds from long-term loans receivable	1,774
Acquisition of subsidiaries accompanied with change in scope of consolidation	(679)
Other	(1,306)
Net cash provided by (used in) investing activities	(35,267)
<b>Cash flows from financing activities:</b>	
Increase (decrease) in bank loans, net	(25,438)
Proceeds from long-term loans	314
Repayments of long-term loans	(1,556)
Dividends paid	(19,122)
Dividends paid for minority shareholders	(1,509)
Proceeds from issuance of straight bonds	7,215
Payments for redemption of straight bonds	(3,620)
Other	(4)
Net cash provided by (used in) financing activities	(43,720)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,190)
<b>Net increase (decrease) in cash and cash equivalents</b>	(61,462)
<b>Cash and cash equivalents at beginning of the period</b>	213,366
<b>Cash and cash equivalents at end of the period</b>	151,903

## Business Segment Information

(In millions of yen)

	Three months ended June 30, 2008								
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:									
Customers	106,134	18,105	8,681	7,939	5,763	11,042	157,667	-	157,667
Intersegment	2,372	1,590	30	782	7	2,088	6,874	(6,874)	-
Subtotal	108,507	19,696	8,712	8,722	5,771	13,131	164,542	(6,874)	157,667
Operating costs and expenses	82,471	18,306	8,287	8,694	7,159	12,818	137,737	(3,584)	134,153
Operating profit (loss)	26,035	1,389	425	28	(1,387)	313	26,804	(3,290)	23,514