

**QUARTERLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2008**

November 5, 2008

Note: The following is an abridged English translation of the Interim Financial Report (*Daini Shihanki Kessan Tanshin*) of SECOM Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

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
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100
 Scheduled date of filing Reviewed Financial Statements ("*Shihanki Hokoku-sho*"): November 14, 2008

(In millions of yen, figures rounded down)

1. Summary of the consolidated financial information for the six-month period ended September 30, 2008 (April 1, 2008 – September 30, 2008)

(1) Consolidated operating results

	The six-month period ended September 30	
	2008	2007
Revenue	324,219 —	323,609 20.9%
Operating profit	39,387 —	49,274 16.7%
Ordinary profit	41,621 —	52,918 17.0%
Net income	12,957 —	29,421 12.5%
Basic net income per share (in yen)	57.60	130.78
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

	September 30, 2008	March 31, 2008
Total assets	1,126,679	1,202,840
Net assets	619,199	630,274
Equity ratio	49.3%	47.2%
Net assets per share (in yen)	2,471.45	2,521.45

Note: Equity as of:

September 30, 2008: JPY 555,983 million March 31, 2008: JPY 567,238 million

2. Dividends

	Years ended March 31		
	2009 (projected)	2009 (actual)	2008
1 st quarter dividends per share (in yen)	–	–	–
2 nd quarter dividends per share (in yen)	–	–	–
3 rd 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 projected 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)

	Year ending March 31, 2009
Projected revenue	708,600 3.8%
Projected operating profit	96,800 (7.6%)
Projected ordinary profit	102,000 (10.7%)
Projected net income	47,000 (23.6%)
Projected basic net income per share (in yen)	208.92

Note 1: Revision of projections for the consolidated financial results in this financial report: None

Note 2: Percentage figures represent changes from the results of the corresponding period of the previous year.

4. Others

- (1) Significant changes in subsidiaries (scope of consolidation) during the period: None
- (2) Adoption of simplified accounting treatment or unique accounting treatment for preparation of quarterly consolidated financial statements: Applicable
- (3) Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of quarterly consolidated financial results (Those to be stated as changes of important matters for the basis of quarterly consolidated financial statements):
 - ① Changes associated with amendment of accounting standards: Applicable
 - ② Other changes: Applicable
- (4) Number of common shares outstanding:
 - ① Number of common shares outstanding, including treasury stock, as of:

September 30, 2008:	233,288,717 shares	March 31, 2008:	233,288,717 shares
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 - ② Number of shares of treasury stock as of:

September 30, 2008:	8,326,448 shares	March 31, 2008:	8,323,599 shares
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 - ③ Number of average common shares outstanding over period (cumulative; consolidated):

Six months ended September 30, 2008:	224,963,874 shares
Six months ended September 30, 2007:	224,968,506 shares

Note 1:

The forward-looking statements about the future performance described in this document are based on information available as of the release date. Actual performance may differ from the forward-looking statements due to various factors.

Note 2:

“Effective from the fiscal year ending March 2009, the Company adopted “Accounting Standard for Quarterly Financial Reporting” (ASBJ statement No. 12 issued in March 14, 2007) and “Implementation Guidance for Accounting Standard for Quarterly Reporting” (ASBJ Guidance No.14 issued in March 14, 2007). The Company also prepares quarterly reports according to “Rules for Quarterly Consolidated Financial Statements.”

Consolidated Balance Sheets

(In millions of yen)

	September 30, 2008	March 31, 2008
	Amount	Amount
ASSETS:		
Current assets:	462,110	547,538
Cash on hand and in banks	139,543	200,403
Cash deposits for armored car services	56,577	63,696
Call loans	22,000	19,000
Notes and accounts receivable, trade	61,220	85,595
Due from subscribers	20,268	21,125
Short-term investments	14,154	9,306
Merchandises and products	13,065	10,758
Real estate inventories	16,945	17,213
Work in process	2,663	2,575
Costs on uncompleted construction contracts	9,935	7,736
Work in process for real estate inventories	67,922	73,016
Raw materials and supplies	6,104	6,010
Deferred income taxes	11,915	11,840
Short-term loans receivable	7,495	7,246
Other	14,199	13,827
Allowance for doubtful accounts	(1,899)	(1,813)
Fixed assets:	664,201	654,936
Tangible assets:	277,608	265,348
Buildings and improvements	87,589	84,545
Security equipment and control stations	67,956	65,450
Land	86,086	81,716
Other	35,976	33,636
Intangible assets	23,052	22,332
Investments and others:	363,540	367,255
Investment securities	231,694	241,957
Long-term loans receivable	57,427	54,599
Prepaid pension and severance costs	18,339	17,834
Deferred income taxes	26,284	22,740
Other	47,695	47,579
Allowance for doubtful accounts	(17,899)	(17,455)
Deferred assets	367	365
Total assets	1,126,679	1,202,840

Consolidated Balance Sheets (Contd.)

(In millions of yen)

	September 30, 2008	March 31, 2008
	Amount	Amount
LIABILITIES:		
Current liabilities:	246,687	319,737
Notes and accounts payable, trade	26,039	30,459
Bank loans	79,441	136,034
Current portion of straight bonds	1,756	1,936
Payables - other	20,852	28,988
Accrued income taxes	22,779	24,610
Accrued consumption taxes	2,421	3,456
Accrued expenses	3,584	3,641
Deferred revenue	33,433	32,061
Accrued bonuses	12,252	12,210
Other	44,126	46,337
Long-term liabilities:	260,792	252,828
Straight bonds	16,831	13,524
Long-term loans	20,678	20,024
Guarantee deposits received	33,610	32,532
Deferred income taxes	4,986	5,042
Accrued pension and severance costs	15,670	16,096
Accrued retirement benefits for directors and corporate auditors	2,145	2,220
Investment deposits by policyholders, unearned premiums and other insurance liabilities	165,832	162,329
Other	1,037	1,057
Total liabilities	507,480	572,565
NET ASSETS:		
Shareholders' equity:	574,344	580,543
Common stock	66,377	66,377
Capital surplus	83,055	83,056
Retained earnings	469,801	475,987
Common stock in treasury, at cost	(44,891)	(44,877)
Valuation, translation adjustments and others:	(18,361)	(13,304)
Unrealized gains (losses) on securities	(2,393)	(3,306)
Deferred gains (losses) on hedges	(22)	(90)
Foreign currency translation adjustments	(15,944)	(9,907)
Minority interest in subsidiaries	63,216	63,035
Total net assets	619,199	630,274
Total liabilities and net assets	1,126,679	1,202,840

Consolidated Statement of Income

(In millions of yen)

	The six-month period ended September 30, 2008
	Amount
Revenue	324,219
Costs of revenue	212,155
Gross profit	112,063
Selling, general and administrative expenses	72,676
Operating profit	39,387
Non-operating income	6,440
Non-operating expenses	4,205
Ordinary profit	41,621
Extraordinary profit	499
Extraordinary loss	8,230
Income before income taxes	33,889
Income taxes - current	22,696
Income taxes - deferred	(3,495)
Total income taxes	19,200
Minority interest in subsidiaries	1,732
Net income	12,957

Consolidated Statement of Cash Flows

(In millions of yen)

	The six-month period ended September 30, 2008
Cash flows from operating activities:	
Income before income taxes	33,889
Depreciation	19,620
Amortization of goodwill	920
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,479)
Interest and dividend income	(2,821)
Interest expenses	1,102
Net (gains) losses on sales of investment securities	(591)
Net (gains) losses on revaluation on investment securities	7,722
Losses on revaluation on real estate inventories	9,698
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	25,174
(Increase) decrease in inventories	(9,215)
Increase (decrease) in accounts payable	(12,735)
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	3,502
Other	4,398
Subtotal	78,184
Interest and dividends received	5,967
Interest paid	(1,138)
Income taxes paid	(24,517)
Net cash provided by (used in) operating activities	58,496
Cash flows from investing activities:	
(Increase) decrease in short-term investments, net	(1,267)
Payments for purchases of tangible assets	(30,938)
Proceeds from sales of tangible assets	152
Payments for purchases of investment securities	(38,776)
Proceeds from sales and redemptions of investment securities	34,626
(Increase) decrease in short-term loans receivable, net	(232)
Payments for long-term loans receivable	(5,468)
Proceeds from long-term loans receivable	2,636
Acquisition of subsidiaries accompanied with change in scope of consolidation	(679)
Divestiture of subsidiaries accompanied with change in scope of consolidation	(74)
Other	(1,221)
Net cash provided by (used in) investing activities	(41,242)
Cash flows from financing activities:	
Increase (decrease) in bank loans, net	(58,120)
Proceeds from long-term loans	4,005
Repayments of long-term loans	(2,275)
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	(4,173)
Other	(24)
Net cash provided by (used in) financing activities	(74,003)
Effect of exchange rate changes on cash and cash equivalents	(653)
Net increase (decrease) in cash and cash equivalents	(57,403)
Cash and cash equivalents at beginning of the period	213,366
Cash and cash equivalents at end of the period	155,963

Business Segment Information

(In millions of yen)

	The six-month period ended September 30, 2008				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	213,120	37,765	17,025	15,495	15,623
Intersegment	4,501	3,255	61	1,487	31
Subtotal	217,621	41,020	17,087	16,982	15,654
Operating costs and expenses	165,301	38,148	16,349	17,322	16,996
Operating profit (loss)	52,320	2,872	737	(340)	(1,341)

	The six-month period ended September 30, 2008				
	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	4,772	20,416	324,219	-	324,219
Intersegment	—	4,241	13,578	(13,578)	-
Subtotal	4,772	24,657	337,797	(13,578)	324,219
Operating costs and expenses	15,854	21,921	291,895	(7,063)	284,831
Operating profit (loss)	(11,082)	2,735	45,901	(6,514)	39,387

(Note)

The SECOM Group had formerly categorized its business into six business segments: security services, medical services, insurance services, geographic information services, and information and communication related and other services. However, the SECOM Group established a new business segment, real estate development and sales, formerly included in information and communication related and other services, due to the fact that the absolute value of operating losses of real estate development and sales business incurred in the six-month period ended September 30, 2008 surpassed 10% of the total amount of operating profits from segments incurring operating profits.

The business segment information for the six-month period ended September 30, 2008, is restated as shown below, to conform to the presentation used for the six-month period ended September 30, 2007.

(In millions of yen)

	The six-month period ended September 30, 2008				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	213,120	37,765	17,025	15,495	15,623
Intersegment	4,501	3,255	61	1,487	31
Subtotal	217,621	41,020	17,087	16,982	15,654
Operating costs and expenses	165,301	38,148	16,349	17,322	16,996
Operating profit (loss)	52,320	2,872	737	(340)	(1,341)

	The six-month period ended September 30, 2008			
	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:				
Customers	25,189	324,219	-	324,219
Intersegment	4,212	13,550	(13,550)	-
Subtotal	29,402	337,769	(13,550)	324,219
Operating costs and expenses	37,748	291,867	(7,035)	284,831
Operating profit (loss)	(8,346)	45,901	(6,514)	39,387

Reference:**Consolidated financial results for the six-month period ended September 30, 2007****Consolidated Statements of Income**

	The six-month period ended September 30, 2007
	Amount
Revenue	323,609
Costs of revenue	202,121
Gross profit	121,488
Selling, general and administrative expenses	72,213
Operating profit	49,274
Non-operating income	7,854
Non-operating expenses	4,210
Ordinary profit	52,918
Extraordinary profit	744
Extraordinary loss	1,626
Income before income taxes	52,036
Income taxes - current	21,382
Income taxes - deferred	(156)
Minority interest in subsidiaries	1,389
Net income	29,421

Consolidated Statements of Cash Flows

	The six-month period ended September 30, 2007
Cash flows from operating activities:	
Income before income taxes	52,036
Depreciation	19,334
Amortization of goodwill	817
Net gains from investment in affiliated companies accounted for under the equity method	(2,745)
Increase in allowance for doubtful accounts	401
Increase/decrease in accrued/prepaid pension and severance costs	(1,713)
Interest and dividend income	(3,511)
Interest expenses	1,145
Exchange gains	(18)
Net loss on sales and disposal of tangible assets	777
Gain on refund of lease deposits	(669)
Impairment loss on fixed assets	1
Gain on sales of investment securities	(1,324)
Loss on revaluation of investment securities	1,084
Decrease in notes and accounts receivable, trade, and due from subscribers	22,524
Increase in inventories	(11,714)
Decrease in accounts payable	(9,436)
Increase in deferred revenue	693
Decrease in investment deposits by policyholders, unearned premiums and other insurance liabilities	(1,766)
Other	7,992
Subtotal	73,910
Interest and dividend received	5,130
Interest paid	(1,133)
Income taxes paid	(24,571)
Net cash provided by (used in) operating activities	53,336
Cash flows from investing activities:	
Increase in time deposits, net	(2,712)
Decrease in short-term investments, net	6,455
Payments for purchases of tangible assets	(24,859)
Proceeds from sales of tangible assets	1,358
Payments for purchases of investment securities	(59,863)
Proceeds from sales of investment securities	42,023
Payments for purchases of subsidiaries' securities	(86)
Increase in short-term loans receivable, net	(1,135)
Payments for long-term loans receivable	(3,006)
Proceeds from long-term loans receivable	3,191
Acquisitions of subsidiaries accompanied with change in scope of consolidation	(79)
Other	(2,276)
Net cash provided by (used in) investing activities	(40,991)
Cash flows from financing activities:	
Decrease in bank loans, net	(10,626)
Proceeds from long-term loans	7,965
Repayments of long-term loans	(2,239)
Proceeds from straight bonds	1,574
Payments for redemption of straight bonds	(968)
Dividends paid	(17,997)
Dividends paid for minority shareholders	(1,252)
Increase in treasury stock, net	(12)
Increase in treasury stock of subsidiaries, net	(17)
Net cash provided by (used in) financing activities	(23,574)
Effect of exchange rate changes on cash and cash equivalents	680
Net decrease in cash and cash equivalents	(10,549)
Cash and cash equivalents at beginning of the period	192,378
Cash and cash equivalents at end of the period	181,829

Segment Information

(In millions of yen)

	The six-months period ended September 30, 2007								
	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	209,974	32,712	17,407	14,618	14,008	34,886	323,609	-	323,609
Intersegment	4,996	1,745	63	1,465	251	4,091	12,614	(12,614)	-
Subtotal	214,971	34,458	17,470	16,084	14,260	38,978	336,224	(12,614)	323,609
Operating costs and expenses	161,691	33,277	16,583	16,462	16,478	35,882	280,376	(6,041)	274,334
Operating profit (loss)	53,279	1,181	887	(378)	(2,217)	3,096	55,848	(6,573)	49,274