

**QUARTERLY FINANCIAL REPORT
FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2009**

November 5, 2009

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 Quarterly Securities Report: November 13, 2009
 Scheduled date of dividend payout: —

1. Consolidated financial results for the six-month period ended September 30, 2009 (April 1, 2009 – September 30, 2009)

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

	The six-month period ended September 30	
	2008	2009
Revenue	324,219 —	312,765 (3.5%)
Operating profit	39,387 —	48,940 24.3%
Ordinary profit	41,621 —	48,284 16.0%
Net income	12,957 —	26,150 101.8%
Basic net income per share (in yen)	57.60	119.94
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)

	September 30, 2009	March 31, 2009
Total assets	1,072,143	1,090,483
Net assets	602,619	582,608
Equity ratio	50.2%	47.6%
Net assets per share (in yen)	2,468.51	2,380.12

Note: Equity as of:

September 30, 2009: JPY 538,222 million March 31, 2009: JPY 518,954 million

2. Dividends

	Years ended March 31		
	2009	2010	2010(projected)
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		85.00 – 90.00
Annual dividends per share (in yen)	85.00		85.00 – 90.00

Note: Revision of projected dividends in this quarter: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(In millions of yen)

	Year ending March 31, 2010
Projected revenue	669,300 (1.3%)
Projected operating profit	101,900 16.3%
Projected ordinary profit	100,200 10.2%
Projected net income	53,300 147.9%
Projected net income per share (in yen)	244.46

Note 1: Percentage figures represent changes from the results of the corresponding period of the previous year.

Note 2: Revision of projections for the consolidated financial results in this quarter: Applicable

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 the preparation of quarterly consolidated financial statements : Applicable
- (3) Changes in accounting principles, procedures and/or presentation with regard to preparation of quarterly consolidated financial statements (to be reported as change of significant matters for the basis of preparation of quarterly consolidated financial statements):
 - ① Changes associated with amendment of accounting standards: Applicable
 - ② Other changes: None
- (4) Number of common shares outstanding :
 - ① Number of common shares outstanding, including treasury stock, as of:

September 30, 2009: 233,288,717 shares	March 31, 2009: 233,288,717 shares
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 - ② Number of shares of treasury stock, as of:

September 30, 2009: 15,253,306 shares	March 31, 2009: 15,251,520 shares
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 - ③ Number of average common shares outstanding over period (cumulative; consolidated):

The six-month period ended September 30, 2009: 218,035,913 shares
The six-month period ended September 30, 2008: 224,963,874 shares

(Reference)

Projections for the nonconsolidated financial results for the fiscal year ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(In millions of yen)

	Year ending March 31, 2010
Projected revenue	330,900 (1.8%)
Projected operating profit	72,200 (0.6%)
Projected ordinary profit	77,500 (1.1%)
Projected net income	45,600 40.7%
Projected net income per share (in yen)	209.14

Note 1: Percentage figures represent changes from the results of the corresponding period of the previous year.

Note 2: Revision of projections for the nonconsolidated financial results in this quarter: Applicable

* Note: 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.

5. Revision of projections for the consolidated financial results

As for the consolidated financial results for the six-month period ended September 30, 2009, revenue and income of security services, fire protection services and information and communication related and other services businesses fell short of the previously announced projections, mainly owing to decline in private-sector capital investments led by deteriorating corporate profits. SECOM Co., Ltd. has revised its projections for the consolidated financial results after the 3rd quarter and those for the fiscal year ending March 31, 2010.

(In millions of yen)

	Revenue	Operating profit	Ordinary profit	Net income	Net income per share
Previous projection (A)	700,300	107,500	106,700	58,500	268.30
Revised projection (B)	669,300	101,900	100,200	53,300	244.46
Change in amount (B-A)	(31,000)	(5,600)	(6,500)	(5,200)	—
Change (%)	(4.4%)	(5.2%)	(6.1%)	(8.9%)	—
Financial results for the fiscal year ended March 31, 2009	678,400	87,634	90,924	21,502	96.69

Furthermore, nonconsolidated financial results for the six-month period ended September 30, 2009 fell short of the previously announced projections, owing to the decrease of merchandise sales. SECOM Co., Ltd. has revised its projections for the nonconsolidated financial results after the 3rd quarter and those for the fiscal year ending March 31, 2010.

(In millions of yen)

	Revenue	Operating profit	Ordinary profit	Net income	Net income per share
Previous projection (A)	347,100	74,500	79,500	48,500	222.44
Revised projection (B)	330,900	72,200	77,500	45,600	209.14
Change in amount (B-A)	(16,200)	(2,300)	(2,000)	(2,900)	—
Change (%)	(4.7%)	(3.1%)	(2.5%)	(6.0%)	—
Financial results for the fiscal year ended March 31, 2009	336,893	72,616	78,346	32,414	145.76

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.

Consolidated Balance Sheets

(In millions of yen)

	September 30, 2009	March 31, 2009
	Amount	Amount
ASSETS:		
Current assets:	447,637	473,445
Cash on hand and in banks	129,619	127,476
Cash deposits for armored car services	51,643	56,667
Call loans	27,000	36,500
Notes and accounts receivable, trade	50,790	77,398
Due from subscribers	19,751	20,139
Short-term investments	28,004	16,786
Lease receivables and investment in leased assets	14,722	14,993
Merchandises and products	11,752	10,730
Real estate inventories	7,473	6,177
Work in process	2,109	2,174
Costs on uncompleted construction contracts	10,462	9,534
Work in process for real estate inventories	60,552	60,950
Raw materials and supplies	6,317	5,840
Deferred income taxes	11,989	11,135
Short-term loans receivable	2,200	4,125
Other	15,444	15,578
Allowance for doubtful accounts	(2,195)	(2,762)
Fixed assets:	624,223	616,698
Tangible assets:	278,321	263,267
Buildings and improvements	100,852	85,415
Security equipment and control stations	66,563	65,631
Land	92,143	89,297
Other	18,762	22,923
Intangible assets	23,078	21,331
Investments and others:	322,822	332,099
Investment securities	204,745	201,923
Long-term loans receivable	52,094	59,880
Prepaid pension and severance costs	18,719	18,876
Deferred income taxes	21,566	24,413
Other	45,470	46,129
Allowance for doubtful accounts	(19,773)	(19,122)
Deferred assets	282	338
Total assets	1,072,143	1,090,483

Consolidated Balance Sheets (Continued)

(In millions of yen)

	September 30, 2009	March 31, 2009
	Amount	Amount
LIABILITIES:		
Current liabilities:	217,114	256,655
Notes and accounts payable, trade	22,272	28,374
Bank loans	51,104	85,383
Current portion of straight bonds	4,901	5,036
Lease obligations	184	202
Payables - other	22,069	23,195
Accrued income taxes	20,228	18,983
Accrued consumption taxes	2,546	2,932
Accrued expenses	3,298	3,534
Deferred revenue	33,680	31,298
Accrued bonuses	12,385	12,741
Reserve for litigation losses	2,475	2,415
Provision for loss on construction contracts	141	-
Other	41,825	42,558
Long-term liabilities:	252,409	251,218
Straight bonds	11,929	12,673
Long-term loans	15,152	15,338
Lease obligations	618	571
Guarantee deposits received	35,562	34,210
Deferred income taxes	4,940	3,740
Accrued pension and severance costs	13,602	13,807
Accrued retirement benefits for directors and corporate auditors	2,270	2,244
Investment deposits by policyholders, unearned premiums and other insurance liabilities	166,974	167,011
Other	1,360	1,621
Total liabilities	469,524	507,874
NET ASSETS:		
Shareholders' equity:	560,502	552,891
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	485,973	478,355
Common stock in treasury, at cost	(74,902)	(74,896)
Valuation, translation adjustments and others:	(22,280)	(33,937)
Unrealized gains (losses) on securities	4,222	(3,901)
Deferred gains (losses) on hedges	(21)	(27)
Foreign currency translation adjustments	(26,480)	(30,008)
Minority interests in subsidiaries	64,397	63,654
Total net assets	602,619	582,608
Total liabilities and net assets	1,072,143	1,090,483

Consolidated Statements of Income

(In millions of yen)

	Six-month period ended September 30, 2008	Six-month period ended September 30, 2009
	Amount	Amount
Revenue	324,219	312,765
Costs of revenue	212,155	193,525
Gross profit	112,063	119,240
Selling, general and administrative expenses	72,676	70,300
Operating profit	39,387	48,940
Non-operating income	6,440	5,401
Non-operating expenses	4,205	6,057
Ordinary profit	41,621	48,284
Extraordinary profit	499	861
Extraordinary loss	8,230	1,226
Income before income taxes	33,889	47,919
Income taxes - current	22,696	20,160
Income taxes - deferred	(3,495)	(426)
Total income taxes	19,200	19,733
Minority interests in subsidiaries	1,732	2,034
Net income	12,957	26,150

Consolidated Statements of Cash Flows

(In millions of yen)

	Six-month period ended September 30, 2008	Six-month period ended September 30, 2009
Cash flows from operating activities:		
Income before income taxes	33,889	47,919
Depreciation	19,620	17,689
Amortization of goodwill	920	900
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(2,479)	(1,923)
Interest and dividend income	(2,821)	(2,365)
Interest expenses	1,102	705
Net (gains) losses on sales of investment securities	(591)	(495)
Net (gains) losses on revaluation of investment securities	7,722	624
Net (gains) losses on sales of subsidiaries and affiliated companies	—	(796)
Net (gains) loss on revaluation of real estate inventories	9,698	207
Net (gains) losses on private equity investment	—	2,699
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	25,174	26,917
(Increase) decrease in inventories	(9,215)	(3,540)
Increase (decrease) in accounts payable	(12,735)	(7,066)
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	3,502	(37)
Other	4,398	5,120
Subtotal	78,184	86,559
Interest and dividend received	5,967	4,715
Interest paid	(1,138)	(732)
Income taxes paid	(24,517)	(18,878)
Net cash provided by (used in) operating activities	58,496	71,663
Cash flows from investing activities:		
(Increase) decrease in short-term investments, net	(1,267)	(8,692)
Payments for purchases of tangible assets	(30,938)	(19,456)
Proceeds from sales of tangible assets	152	81
Payments for purchases of investment securities	(38,776)	(18,712)
Proceeds from sales and redemptions of investment securities	34,626	24,177
(Increase) decrease in short-term loans receivable, net	(232)	(16)
Payments for long-term loans receivable	(5,468)	(4,229)
Proceeds from long-term loans receivable	2,636	3,308
Acquisitions of subsidiaries accompanied with change in scope of consolidation	(679)	1,037
Divestitures of subsidiaries accompanied with change in scope of consolidation	(74)	2,873
Other	(1,221)	(974)
Net cash provided by (used in) investing activities	(41,242)	(20,604)
Cash flows from financing activities:		
Increase (decrease) in bank loans, net	(58,120)	(34,299)
Proceeds from long-term loans	4,005	38
Repayments of long-term loans	(2,275)	(2,028)
Proceeds from issuance of straight bonds	7,215	—
Payments for redemption of straight bonds	(4,173)	(878)
Dividends paid	(19,122)	(18,533)
Dividends paid for minority shareholders	(1,509)	(1,508)
Other	(24)	(76)
Net cash provided by (used in) financing activities	(74,003)	(57,286)
Effect of exchange rate changes on cash and cash equivalents	(653)	647
Net increase (decrease) in cash and cash equivalents	(57,403)	(5,579)
Cash and cash equivalents at beginning of the period	213,366	158,184
Cash and cash equivalents at end of the period	155,963	152,604

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	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:										
Customers	213,120	37,765	17,025	15,495	15,623	4,772	20,416	324,219	-	324,219
Intersegment	4,501	3,255	61	1,487	31	-	4,241	13,578	(13,578)	-
Subtotal	217,621	41,020	17,087	16,982	15,654	4,772	24,657	337,797	(13,578)	324,219
Operating costs and expenses	165,301	38,148	16,349	17,322	16,996	15,854	21,921	291,895	(7,063)	284,831
Operating profit (loss)	52,320	2,872	737	(340)	(1,341)	(11,082)	2,735	45,901	(6,514)	39,387

(In millions of yen)

	The six-month period ended September 30, 2009									
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:										
Customers	204,786	32,719	18,258	15,691	16,886	5,619	18,803	312,765	-	312,765
Intersegment	4,446	1,871	61	1,454	59	-	3,802	11,695	(11,695)	-
Subtotal	209,233	34,591	18,319	17,146	16,946	5,619	22,605	324,461	(11,695)	312,765
Operating costs and expenses	159,112	33,615	17,192	16,066	17,372	6,020	19,958	269,338	(5,512)	263,825
Operating profit (loss)	50,121	976	1,127	1,079	(426)	(401)	2,647	55,123	(6,182)	48,940