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## QUARTERLY FINANCIAL REPORT FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2010

(Based on JAPANESE GAAP) (Consolidated)

August 5, 2010

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: Shuji Maeda, President and Representative Director  
 For inquiries: Katsuhisa Kuwahara, Executive Director Phone (03) 5775-8100  
 Scheduled date of filing Quarterly Securities Report: August 13, 2010  
 Scheduled date of dividend payout: —  
 Preparation of quarterly supplementary materials: None  
 Holding of quarterly results information meeting: None

### 1. Consolidated financial results for the three-month period ended June 30, 2010 (April 1, 2010 – June 30, 2010)

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

	Three-month period ended June 30	
	2009	2010
Revenue	153,291 (2.8%)	152,327 (0.6%)
Operating profit	23,637 0.5%	22,765 (3.7%)
Ordinary profit	23,908 (4.7%)	24,210 1.3%
Net income	12,276 (9.4%)	13,171 7.3%
Basic net income per share (in yen)	56.31	60.41
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 positions (In millions of yen, figures rounded down)

	March 31, 2010	June 30, 2010
Total assets	1,081,679	1,035,517
Net assets	625,153	618,405
Equity ratio	51.6%	53.4%
Net assets per share (in yen)	2,561.94	2,534.84

Note: Equity as of:

March 31, 2010: JPY 558,591 million    June 30, 2010: JPY 552,681 million

## 2. Dividends

	Years ended March 31		
	2010	2011	2011(projected)
1 <sup>st</sup> quarter dividends per share (in yen)	–	–	
2 <sup>nd</sup> quarter dividends per share (in yen)	–		–
3 <sup>rd</sup> quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	85.00		90.00
Annual dividends per share (in yen)	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, 2011 (April 1, 2010 – March 31, 2011) and the six-month period ending September 30, 2010 (April 1, 2010 – September 30, 2010)

(In millions of yen)

	Six-month period ending September 30, 2010	Year ending March 31, 2011
Projected revenue	322,600 3.1%	683,300 4.4%
Projected operating profit	49,600 1.3%	106,300 7.9%
Projected ordinary profit	52,300 8.3%	109,800 11.7%
Projected net income	27,900 6.7%	59,500 25.0%
Projected basic net income per share (in yen)	127.96	272.89

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: None

## 4. Others (Please refer to “Other Information” on page 5 in the appendices)

1. Significant changes in subsidiaries (scope of consolidation) during this quarter: None
2. Adoption of simplified accounting treatment or unique accounting treatment: Applicable
3. Changes in accounting policies and/or presentations:
  - 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:

June 30, 2010: 233,288,717 shares	March 31, 2010: 233,288,717 shares
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  - ② Number of shares of treasury stock, as of:

June 30, 2010: 15,254,807 shares	March 31, 2010: 15,254,334 shares
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  - ③ Number of average common shares outstanding over period (cumulative; consolidated):

The three-month period ended June 30, 2010: 218,034,024 shares
The three-month period ended June 30, 2009: 218,036,162 shares

**Note on status of quarterly review procedures**

This report is excluded from the scope of quarterly review procedures pursuant to the Financial Products and Exchange Law. Review procedures for quarterly financial statements have not been completed at the time of disclosure of this report.

**Note on appropriate use of projections for the financial results; other special items**

The forward-looking statements including the future performance described in this document are provided based on both all information available at this moment and definite rational assumptions. Actual performance may differ from the forward-looking statements due to various factors hereafter occurred.

For matters regarding conditions as assumptions on financial projections and the financial projections, please refer to “Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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## **1. Qualitative Information Regarding the Three-month Period Ended June 30, 2010**

### **(1) Qualitative Information Regarding Consolidated Financial Results**

During the three-month period ended June 30, 2010, Japanese economy requires continuous attention due to high unemployment rate continuing and downturn risk in global economy, despite earning recoveries seen partially through domestic companies as a result of gradual increases in exports and cost reduction effects, etc.

In this environment, we continued to respond to the increasing diverse and sophisticated needs of customers for security and peace of mind with the aim of establishing our Social System Industry vision, which realizes a society that provides security and peace of mind for people whenever and wherever necessary. To this end, we stepped up efforts to provide high-grade products and services suited to customer needs in our core security services segment, as well as in our fire protection services, medical services, insurance services, geographic information services, real estate development and sales, and information and communication related and other services segments.

As a result, consolidated revenue for the three-month period ended June 30, 2010 decreased by 0.6% to 152.3 billion yen and consolidated operating profit downed by 3.7% to 22.7 billion yen, compared with the previous corresponding period. However, consolidated ordinary profit increased by 1.3% to 24.2 billion yen and consolidated net income increased by 7.3% to 13.1 billion yen, due to the absence of 1.5 billion yen loss on private equity investment in the United States in the previous corresponding period, which was a gain of 32 million yen in the current quarter.

Segment information is as follows.

In the security services segment, revenue fell by 1.3% to 100.6 billion yen and operating profit decreased by 1.8% to 24.5 billion yen. These results were attributable to a decrease in construction revenue from installation services subsidiaries, owing to decreases in large-scale constructions, and decrease in sales of merchandise, etc.

In the fire protection services segment, revenue decreased by 11.0% to 13.4 billion yen and operating loss was 0.6 billion yen, from operating profit of 0.8 billion yen in the previous corresponding period. These results reflected the absence of revenue from renovations of fire protection equipment in large facilities, etc. in the previous corresponding period.

In the medical services segment, revenue increased by 7.8% to 9.4 billion yen and operating profit increased by 32.5% to 0.5 billion yen.

In the insurance services segment, revenue rose by 4.0% to 8.1 billion yen and operating profit was 0.5 billion yen, up from 62 million yen in the previous corresponding period.

In the geographic information services segment, revenue advanced 16.8% to 8.2 billion yen, reflecting steady progress on work for national and local government agencies. Deliveries of public-sector contracts – the principal source of revenue in this segment – tend to concentrate toward the end of the fiscal year, which increases seasonal fluctuation for revenue to also increase toward the end of the fiscal year. Owing to

strict process management and cost-cutting efforts, the segment reported an operating income of 0.1 billion yen, up from an operating loss of 0.5 billion yen in the previous corresponding period.

In the real estate development and sales segment, without full-fledged recovery of demands in the condominium market owing to decreases in personal incomes and uncertainty over the future, etc., we have reduced real estate inventories corresponding with future market projections, continuing from the previous fiscal year. As a result, revenue increased by 30.4% to 4.4 billion yen and operating loss was 0.2 billion yen, from 0.1 billion yen in the previous corresponding period.

In the information and communication related and other services segment, revenue decreased by 13.0% to 7.8 billion yen and operating profit decreased by 48.9% to 0.5 billion yen, due to divestiture of Japan Image Communications Co., Ltd. in August 2009, which earned 1.1 billion yen of revenue in the previous corresponding period, etc.

## **(2) Qualitative Information Regarding Consolidated Financial Positions**

### **(i) Consolidated Balance Sheets**

Total assets as of June 30, 2010 amounted to 1,035.5 billion yen, 4.3% or 46.1 billion yen lower than the end of the previous fiscal year. Total current assets, at 442.7 billion yen, were down 8.4% or 40.8 billion yen. This was largely attributable to decreases in notes and accounts receivable, trade by 37.1% or 27.4 billion yen to 46.4 billion yen, short-term investments by 47.3% or 7.5 billion yen to 8.4 billion yen, real estate inventories by 22.6% or 4.1 billion yen to 14.3 billion yen, deferred income taxes by 29.0% or 3.3 billion yen to 8.2 billion yen and cash on hand and in banks by 2.1% or 3.1 billion yen to 143.8 billion yen, despite increase in cash deposits for armored car services by 7.8% or 3.7 billion yen to 52.6 billion yen. Total fixed assets, at 592.5 billion yen, were down 0.9% or 5.2 billion yen. This was mainly attributable to decrease in investment securities by 4.0% or 7.5 billion yen to 180.1 billion yen, despite increases in tangible assets by 0.9% or 2.5 billion yen to 275.6 billion yen.

Total liabilities amounted to 417.1 billion yen, 8.6% or 39.4 billion yen less than the end of previous fiscal year. Total current liabilities amounted to 181.2 billion yen, down 13.8% or 29.1 billion yen, owing to decreases in accrued income taxes by 73.3% or 15.3 billion yen to 5.5 billion yen, bank loans by 26.6% or 12.7 billion yen to 35.2 billion yen, accrued bonuses by 39.8% or 4.8 billion yen to 7.3 billion yen, and notes and accounts payable, trade by 11.8% or 2.9 billion yen to 21.8 billion yen, despite increases in other current liabilities including deposits received by 21.0% or 7.6 billion yen to 44.3 billion yen. Long-term liabilities decreased by 4.2% or 10.2 billion yen to 235.8 billion yen, compared to the end of the previous fiscal year, due to decrease in investment deposits by policyholders, unearned premiums and other insurance liabilities by 6.6% or 9.9 billion yen to 140.2 billion yen.

Total net assets amounted to 618.4 billion yen, 1.1% or 6.7 billion yen less than the end of the previous fiscal year, due to decreases in retained earnings by 1.1% or 5.3 billion yen to 502.0 billion yen and unrealized gains and losses on securities by 37.4% or 1.6 billion yen to 2.8 billion yen, despite decrease of losses in foreign currency translation adjustments by 4.1% or 1.1 billion yen to 26.7 billion yen.

## **(ii) Consolidated Cash Flows**

### **(Cash flows from operating activities)**

Net cash provided by operating activities for the three-month period ended June 30, 2010 amounted to 25.2 billion yen. Major factors of cash increase were decrease in notes and accounts receivable, trade, and due from subscribers of 28.1 billion yen, net income before taxes of 22.6 billion yen and depreciation of 8.5 billion yen. Major factors of cash decrease were income taxes paid of 19.8 billion yen, decrease in investment deposits by policyholders, unearned premiums and other insurance liabilities of 9.9 billion yen and decrease in accounts payable of 4.8 billion yen.

### **(Cash flows from investing activities)**

Net cash provided in investing activities was 2.1 billion yen. Major factors of cash increase were proceeds from sales and redemptions of investment securities of 11.2 billion yen and proceeds from sales of investment securities in subsidiaries and affiliates of 5.0 billion yen. Major factors of cash decrease were payments for purchase of tangible assets, including security equipment and control stations, of 9.7 billion yen and payments for purchases of investment securities of 2.6 billion yen.

### **(Cash flows from financing activities)**

Net cash used in financing activities amounted to 33.8 billion yen. Major factors were dividends paid of 18.5 billion yen, decrease in bank loans, net of 12.5 billion yen and dividends paid for minority shareholders of 1.5 billion yen.

As a result, cash and cash equivalents at the end of the three-month period ended June 30, 2010 was 172.3 billion yen, 6.4 billion yen less than the end of the previous fiscal year.

## **(3) Qualitative Information Regarding Consolidated Financial Projections**

The financial results for the three-month period ended June 30, 2010 was within our projections, despite the continuous harsh economic conditions.

Therefore, projections for the consolidated financial results for the fiscal year ending March 31, 2011 and the six-month period ending September 30, 2010 were not changed from the projections released on May 11, 2010.

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.

## **2. Other Information**

### **(1) Summary of Significant Changes in Subsidiaries**

Not applicable.

### **(2) Summary of Simplified Accounting Treatment or Unique Accounting Treatment**

For the assessment regarding collectability of all deferred tax assets, financial projections and tax planning used in the previous fiscal year are used when there are no significant changes in business environments or occurrence of temporary differences after the end of the previous fiscal year.

### **(3) Summary of Changes in Accounting Policies and/or Presentations**

#### **(i) Adoption of “Accounting Standard for Asset Retirement Obligations”**

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligation” (ASBJ Guidance No. 21, issued on March 31, 2008) were adopted from the three-month period ended June 30, 2010.

Due to the adoption, operating profit and ordinary profit for the three-month period ended June 30, 2010 decreased by 24 million yen respectively, and income before income taxes for the three-month period ended June 30, 2010 decreased 1,209 million yen.

#### **(ii) Adoption of “Accounting Standard for Business Combinations” and Others**

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008), “Partial Amendments to ‘Accounting Standard for Research and Development Costs’” (ASBJ Statement No. 23, issued on December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised on December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, revised on December 26, 2008), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, revised on December 26, 2008) were adopted from the three-month period ended June 30, 2010.

The adoption did not have any effect on operating profit, ordinary profit and income before income taxes for the three-month period ended June 30, 2010.



### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Balance Sheets

(In millions of yen)

	June 30, 2010	March 31, 2010
	Amount	Amount
<b>ASSETS:</b>		
<b>Current assets:</b>	<b>442,740</b>	<b>483,600</b>
Cash on hand and in banks	143,804	146,929
Cash deposits for armored car services	52,652	48,861
Call loans	33,500	36,500
Notes and accounts receivable, trade	46,441	73,844
Due from subscribers	21,289	20,824
Short-term investments	8,430	15,989
Lease receivables and investment in leased assets	14,708	14,742
Merchandises and products	11,507	10,987
Real estate inventories	14,308	18,493
Work in process	1,980	1,427
Costs on uncompleted construction contracts	6,170	5,312
Work in process for real estate inventories	56,416	55,916
Raw materials and supplies	6,118	5,932
Deferred income taxes	8,292	11,684
Short-term loans receivable	2,836	3,088
Other	16,395	15,275
Allowance for doubtful accounts	(2,112)	(2,207)
<b>Fixed assets:</b>	<b>592,579</b>	<b>597,864</b>
<b>Tangible assets:</b>	<b>275,600</b>	<b>273,020</b>
Buildings and improvements	98,558	97,692
Security equipment and control stations	63,735	63,034
Land	94,165	93,424
Other	19,141	18,869
<b>Intangible assets</b>	<b>21,411</b>	<b>21,885</b>
<b>Investments and others:</b>	<b>295,566</b>	<b>302,959</b>
Investment securities	180,182	187,777
Long-term loans receivable	50,868	50,488
Prepaid pension and severance costs	18,445	18,618
Deferred income taxes	20,767	19,848
Other	43,705	44,630
Allowance for doubtful accounts	(18,402)	(18,403)
<b>Deferred assets</b>	<b>197</b>	<b>213</b>
<b>Total assets</b>	<b>1,035,517</b>	<b>1,081,679</b>

## Consolidated Balance Sheets (Continued)

(In millions of yen)

	June 30, 2010	March 31, 2010
	Amount	Amount
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>	<b>181,221</b>	<b>210,353</b>
Notes and accounts payable, trade	21,856	24,774
Bank loans	35,295	48,094
Current portion of straight bonds	1,501	1,761
Lease obligations	323	247
Payables - other	21,619	23,359
Accrued income taxes	5,592	20,907
Accrued consumption taxes	3,772	3,302
Accrued expenses	3,523	3,633
Deferred revenue	35,861	33,554
Accrued bonuses	7,309	12,139
Reserve for litigation losses	-	1,770
Provision for loss on construction contracts	217	145
Other	44,348	36,660
<b>Long-term liabilities:</b>	<b>235,890</b>	<b>246,171</b>
Straight bonds	16,897	17,006
Long-term loans	15,600	16,085
Lease obligations	599	501
Guarantee deposits received	36,893	36,777
Deferred income taxes	8,593	8,399
Accrued pension and severance costs	13,199	13,264
Accrued retirement benefits for directors and corporate auditors	2,395	2,398
Investment deposits by policyholders, unearned premiums and other insurance liabilities	140,246	150,180
Other	1,465	1,557
<b>Total liabilities</b>	<b>417,111</b>	<b>456,525</b>
<b>NET ASSETS:</b>		
<b>Shareholders' equity:</b>	<b>576,596</b>	<b>581,959</b>
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	502,073	507,434
Common stock in treasury, at cost	(74,909)	(74,907)
<b>Valuation, translation adjustments and others:</b>	<b>(23,914)</b>	<b>(23,367)</b>
Unrealized gains (losses) on securities	2,831	4,521
Deferred gains (losses) on hedges	(28)	(17)
Foreign currency translation adjustments	(26,717)	(27,871)
<b>Minority interests in subsidiaries</b>	<b>65,724</b>	<b>66,562</b>
<b>Total net assets</b>	<b>618,405</b>	<b>625,153</b>
<b>Total liabilities and net assets</b>	<b>1,035,517</b>	<b>1,081,679</b>

**(2) Consolidated Statements of Income**

(In millions of yen)

	Three-month period ended June 30, 2009	Three-month period ended June 30, 2010
	Amount	Amount
<b>Revenue</b>	<b>153,291</b>	<b>152,327</b>
Costs of revenue	94,332	94,584
Gross profit	58,958	57,742
Selling, general and administrative expenses	35,320	34,977
<b>Operating profit</b>	<b>23,637</b>	<b>22,765</b>
Non-operating income	3,209	3,078
Non-operating expenses	2,938	1,633
<b>Ordinary profit</b>	<b>23,908</b>	<b>24,210</b>
Extraordinary profit	2	1,205
Extraordinary losses	365	2,764
<b>Income before income taxes</b>	<b>23,545</b>	<b>22,651</b>
Income taxes - current	7,315	5,217
Income taxes - deferred	2,834	3,716
Total income taxes	10,150	8,933
Net income before minority interests in subsidiaries	—	13,717
Minority interests in subsidiaries	1,118	545
<b>Net income</b>	<b>12,276</b>	<b>13,171</b>

### (3) Consolidated Statements of Cash Flows

(In millions of yen)

	Three-month period ended June 30, 2009	Three-month period ended June 30, 2010
<b>Cash flows from operating activities:</b>		
Income before income taxes	23,545	22,651
Depreciation	8,505	8,540
Amortization of goodwill	449	453
Net (gains) losses from investment in affiliated companies accounted for under the equity method	(986)	(1,232)
Interest and dividend income	(1,208)	(969)
Interest expenses	371	270
Net (gains) losses on sales and disposal of tangible assets	324	348
Net (gains) losses on sales of investment securities	(271)	(1,165)
Net (gains) losses on revaluation of investment securities	259	516
Net (gains) losses on sales of investment securities in subsidiaries and affiliates	—	954
Net (gains) losses on private equity investment	1,565	(32)
The effect of adoption of accounting standard for asset retirement obligations	—	1,184
(Increase) decrease in notes and accounts receivable, trade, and due from subscribers	30,525	28,132
(Increase) decrease in inventories	(1,539)	1,791
Increase (decrease) in accounts payable	(9,568)	(4,889)
Increase (decrease) in investment deposits by policyholders, unearned premiums and other insurance liabilities	711	(9,933)
Other	394	(1,926)
Subtotal	53,079	44,696
Interest and dividend received	2,373	2,427
Interest paid	(326)	(251)
Income taxes paid	(18,679)	(19,872)
Payments for legal settlement	—	(1,770)
<b>Net cash provided by (used in) operating activities</b>	<b>36,446</b>	<b>25,229</b>
<b>Cash flows from investing activities:</b>		
(Increase) decrease in short-term investments, net	(3,666)	132
Payments for purchases of tangible assets	(10,039)	(9,794)
Proceeds from sales of tangible assets	15	187
Payments for purchases of intangible assets	(2,769)	(752)
Payments for purchases of investment securities	(12,699)	(2,679)
Proceeds from sales and redemptions of investment securities	13,236	11,296
Proceeds from sales of investment securities in subsidiaries and affiliates	—	5,054
(Increase) decrease in short-term loans receivable, net	123	9
Payments for long-term loans receivable	(1,513)	(813)
Proceeds from long-term loans receivable	541	698
Acquisitions of subsidiaries accompanied with change in scope of consolidation	—	(690)
Other	2,052	(462)
<b>Net cash provided by (used in) investing activities</b>	<b>(14,719)</b>	<b>2,186</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank loans, net	2,229	(12,597)
Proceeds from long-term loans	5	7
Repayments of long-term loans	(742)	(752)
Payments for redemption of straight bonds	(325)	(369)
Dividends paid	(18,533)	(18,532)
Dividends paid for minority shareholders	(1,508)	(1,530)
Other	(27)	(51)
<b>Net cash provided by (used in) financing activities</b>	<b>(18,903)</b>	<b>(33,827)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>697</b>	<b>(27)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,521</b>	<b>(6,439)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>158,184</b>	<b>178,781</b>
<b>Cash and cash equivalents at end of the period</b>	<b>161,706</b>	<b>172,342</b>

**(4) Notes Regarding the Assumption of Going Concern**

Not applicable.

**(5) Segment Information****[Business Segment Information]**

(In millions of yen)

	Three-month period ended June 30, 2009				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	102,030	15,162	8,747	7,881	7,061
Intersegment	2,138	1,157	30	792	30
Subtotal	104,169	16,320	8,777	8,673	7,091
Operating costs and expenses	79,144	15,457	8,367	8,611	7,663
Operating profit (loss)	25,024	863	410	62	(572)

	Three-month period ended June 30, 2009				
	Real estate development and sales	Information and communication related and other services	Total	Eliminations or corporate items	Consolidated
Revenue:					
Customers	3,419	8,989	153,291	-	153,291
Intersegment	-	1,494	5,643	(5,643)	-
Subtotal	3,419	10,483	158,935	(5,643)	153,291
Operating costs and expenses	3,553	9,484	132,282	(2,628)	129,653
Operating profit (loss)	(134)	999	26,652	(3,014)	23,637

## **[Segment Information]**

(Additional Information)

“Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, revised on March 27, 2009) and “Guidance for Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008) were adopted from the three-month period ended June 30, 2010.

### 1. Summary of Reportable Segments

The reportable segments of SECOM Co., Ltd. and its subsidiaries (collectively “the Company”) are segments, based on the Company’s components, for which separate financial information is available and operating results are regularly reviewed by the Board of Directors for the decision of resource allocation and performance evaluation.

The Company plans and decides group strategies, allocates resources and evaluates performance for each segments, which are “security services”, “fire protection services”, “medical services”, “insurance services”, “geographic information services”, “real estate development and sales”, and information and communication related and other services (“information and communication related services”, “real estate leasing” and “hotel businesses”, etc.).

Accordingly, the Company considers these six segments – “security services”, “fire protection services”, “medical services”, “insurance services”, “geographic information services” and “real estate development and sales” - as reportable segments. Principal services and products of each reportable segment are as follows.

“Security services” segment offers comprehensive security services which provide customers with security and peace of mind, including core centralized security systems (on-line security systems) for commercial and residential premises. “Fire protection services” segment provides a variety of fire protection systems such as fire alarm systems and fire extinguishing systems to office buildings, plants, tunnels, cultural properties, ships and residences. “Medical services” segment provides a variety of medical services such as core home medical services including home nursing services and pharmaceutical services, operation of residence for seniors, electronic medical reports, and sales of medical equipment. “Insurance services” segment develops and markets unique insurance policies that take installation of security systems as a risk-mitigating factor, and insurance policies to overcome cancer by having the best cancer treatments, etc. “Geographic information services” segment provides geospatial information services for national, local and overseas governmental agencies. “Real estate development and sales” segment develops and markets condominiums focusing on security and disaster preventions.

2. Information About Amounts of Revenue and Operating Profit or Loss of Reportable Segments

(In millions of yen)

	Three-month period ended June 30, 2010				
	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	100,682	13,493	9,426	8,199	8,246
Intersegment	2,223	1,491	30	720	22
Subtotal	102,905	14,985	9,457	8,920	8,268
Operating profit (loss)	24,577	(604)	544	587	128

	Three-month period ended June 30, 2010					
	Reportable segments		Information and communication related and others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Real estate development and sales	Subtotal				
Revenue:						
Customers	4,459	144,508	7,819	152,327	-	152,327
Intersegment	-	4,488	1,246	5,734	(5,734)	-
Subtotal	4,459	148,996	9,065	158,062	(5,734)	152,327
Operating profit (loss)	(231)	25,001	510	25,511	(2,746)	22,765

Note 1: Information and communication related and others is an operating segment not included in reportable segments, and comprises information and communication related services, real estate leasing and hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 27 million yen and corporate expenses not allocated to each reportable segment of 2,718 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit/loss is adjusted to operating profit in the consolidated statements of income.

**(6) Notes Regarding Significant Changes in Shareholders' Equity**

Not applicable.