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QUARTERLY FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2013

(Based on JAPANESE GAAP) (Consolidated)

February 12, 2014

Company name: SECOM CO., LTD. (URL: <http://www.secom.co.jp/>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Representative: Shuji Maeda, President and Representative Director
 For inquiries: Junzo Nakayama, Director Phone (03) 5775-8100
 Scheduled date of filing Quarterly Securities Report: February 14, 2014
 Scheduled date of dividend payout: -
 Preparation of quarterly supplementary materials: None
 Holding of quarterly results information meeting: None

1. Consolidated financial results for the nine-month period ended December 31, 2013 (April 1, 2013– December 31, 2013)

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

	Nine-month period ended December 31	
	2012	2013
Revenue	547,347 12.9%	594,649 8.6%
Operating profit	78,690 6.2%	84,824 7.8%
Ordinary profit	83,857 6.8%	91,988 9.7%
Net income	48,374 15.0%	52,722 9.0%
Basic net income per share (in yen)	221.62	241.55
Diluted net income per share (in yen)	-	-

Note 1: Comprehensive income:

Nine-month period ended December 31, 2013: JPY 71,938 million [35.6%]

Nine-month period ended December 31, 2012: JPY 53,052 million [36.5%]

Note 2: There is no diluted net income per share as there are no shares with dilutive effect.

Note 3: Percentage figures represent changes from the results of the corresponding period of the previous year.

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

	March 31, 2013	December 31, 2013
Total assets	1,249,110	1,275,423
Net assets	764,139	808,874
Equity ratio	53.6%	55.8%
Net assets per share (in yen)	3,065.13	3,258.55

Note 1: Equity as of:

December 31, 2013: JPY 711,235 million

March 31, 2013: JPY 669,024 million

Note 2: Equity is calculated by deducting minority interests in subsidiaries from net assets. Net assets per share is calculated by dividing equity by the number of common shares outstanding, excluding treasury stock, as of each period-end.

2. Dividends

	Years ended March 31		
	2013	2014	2014 (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)	105.00		115.00
Annual dividends per share (in yen)	105.00		115.00

Note: Revision of projected dividends from those most recently disclosed: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(In millions of yen)

	Year ending March 31, 2014
Projected revenue	809,400 5.7%
Projected operating profit	112,800 4.1%
Projected ordinary profit	115,900 2.0%
Projected net income	66,100 3.8%
Projected basic net income per share (in yen)	302.84

Note 1: Revision of projections for the consolidated financial results from those most recently disclosed: None

Note 2: Projected basic net income per share for the fiscal year ending March 31, 2014 is calculated based on the number of average common shares outstanding over the nine-month period ended December 31, 2013, assuming that it remains the same until March 31, 2014.

Note 3: Percentage figures represent changes from the results of the corresponding period of the previous year.

Notes

1. Significant changes in subsidiaries during the nine-month period ended December 31, 2013 (changes in specified subsidiaries accompanied with changes in scope of consolidation): None
2. Adoption of unique accounting treatment for preparation of consolidated quarterly financial statements: None
3. Changes in accounting policies, accounting estimates and/or restatements:
 - Changes in accounting policies associated with amendment of accounting standards: None
 - Other changes in accounting policies: None

Changes in accounting estimates: None

Restatements: None

4. Number of common shares outstanding :

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

December 31, 2013: 233,288,717 shares

March 31, 2013: 233,288,717 shares

Number of shares of treasury stock, as of:

December 31, 2013: 15,021,345 shares

March 31, 2013: 15,018,951 shares

Number of average common shares outstanding over:

The nine-month period ended December 31, 2013: 218,268,650 shares

The nine-month period ended December 31, 2012: 218,270,712 shares

Note on status of quarterly review procedures

This report is excluded from the scope of quarterly review procedures pursuant to the Financial Instruments and Exchange Act. 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 certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred. For matters regarding assumptions on financial projections and notes for the use of financial projections, please refer to “1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2013 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2013

(1) Qualitative Information Regarding Consolidated Financial Results

During the nine-month period ended December 31, 2013, Japanese economy has been gradually improving as shown in the improvement of the corporate earnings, the some signs of recovery in the capital investment, employment situation, and robust consumer spending, although there are still some economic downward risks ascribed to uncertainty of overseas economy.

In this environment, we have been continuously trying to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind, with the aim of realizing our vision for the future, “Social System Industry,” a society where everyone can live safe and secure anytime and anywhere. To this end, we have made efforts to develop and provide high-quality products and services suited to customer needs in our security services segment, as well as in our fire protection services, medical services, insurance services, geographic information services, information and communication related services, and real estate and other services segments. We also pressed forward with efforts to apply the ALL SECOM concept, which emphasizes cooperation among our various independent businesses to strengthen the bond of the Group as a whole with a view to hastening our advance to growth.

From the three-month period ended June 30, 2013, information and communication related services segment, formerly included in information and communication related and other services segment, is separately reported. Also, real estate development and sales segment, previously reported separately, was included in real estate and other services segment accompanying with change of its name from information and communication related and other services segment (refer to page 9 to 11). Revenue, profit or loss for each reportable segment of the nine-month period ended December 31, 2012, were reclassified to conform to this change.

Consolidated revenue for the nine-month period ended December 31, 2013 increased by 8.6% to 594.6 billion yen. Consolidated operating profit increased by 7.8% to 84.8 billion yen. Consolidated ordinary profit increased by 9.7% to 91.9 billion yen, mainly due to contribution by 3.7 billion yen of net gains on private equity investment in the U.S., improving from 2.1 billion yen in the previous corresponding period. Consolidated net income increased by 9.0% to 52.7 billion yen. Consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income for the nine-month period ended December 31, 2013 have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 6.8% to 343.8 billion yen and operating profit went up by 3.3% to 78.8 billion yen, mainly due to brisk sales of centralized systems (on-line security systems) for commercial and residential use and of security products including CCTV surveillance systems.

In the fire protection services segment, revenue increased by 4.9% to 77.6 billion yen. Operating profit was up by 99.6% to 3.6 billion yen, mainly owing to the cost reduction. Revenue tends to increase toward the end of the period, due to the fact that this segment is greatly affected by the construction

industry.

In the medical services segment, revenue increased by 22.9% to 42.3 billion yen, mainly owing to the firm increase in sales of pharmaceutical products. Operating profit increased by 3.4% to 3.3 billion yen.

In the insurance services segment, revenue decreased by 0.2% to 26.2 billion yen. This result reflected revenue decline mainly due to the decreases in a reversal of unearned premiums and other insurance liabilities for the new type insurance, and investment income, despite firm increase in sales of MEDCOM, an unrestricted cancer treatment policy, and fire insurance policy provided by Secom General Insurance Co., Ltd. Operating profit was 41 million yen, improving from operating loss of 5 million yen in the previous corresponding period, mainly owing to the decrease in selling, general and administrative expenses.

In the geographic information services segment, revenue increased by 4.5% to 37.1 billion yen, mainly owing to the firm sales in public division. Operating profit was down by 3.7% to 1.8 billion yen, mainly due to the increase in selling, general and administrative expenses. Revenue tends to increase toward the end of the period, due to the concentration of deliveries of public-sector contracts, which is the primary market for this segment.

In the information and communication related services segment, revenue increased by 95.7% to 34.8 billion yen and operating profit went up by 88.3% to 4.1 billion yen, chiefly owing to contribution by At Tokyo Corporation, newly consolidated on October 31, 2012.

In the real estate and other services segment, revenue decreased by 12.6% to 32.4 billion yen, chiefly due to the decrease in sales of condominiums in the real estate development and sales business. Operating profit went down by 12.0% to 3.7 billion yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Consolidated Balance Sheets

Total assets as of December 31, 2013 amounted to 1,275.4 billion yen, 2.1% or 26.3 billion yen higher than that at the end of the previous fiscal year. Total current assets, at 516.6 billion yen, were down 4.8% or 26.1 billion yen. This was largely attributable to decreases in call loans by 47.3% or 22.0 billion yen to 24.5 billion yen, and notes and accounts receivable, trade by 18.1% or 19.3 billion yen to 87.3 billion yen, and real estate inventories by 98.5% or 12.7 billion yen to 0.2 billion yen, despite the increases in cash deposits for armored car services by 35.9% or 20.1 billion yen to 76.2 billion yen and cash on hand and in banks by 6.2% or 10.8 billion yen to 186.2 billion yen. Total fixed assets, at 758.7 billion yen, were up 7.4% or 52.4 billion yen. This was mainly attributable to increases in tangible assets by 0.8% or 2.9 billion yen to 364.4 billion yen, and investment securities by 25.2% or 47.5 billion yen to 236.6 billion yen.

Total liabilities amounted to 466.5 billion yen, 3.8% or 18.4 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 224.9 billion yen, down 9.2% or 22.9 billion yen, owing to decreases in accrued income taxes by 64.7% or 18.9 billion yen to 10.3 billion yen,

accrued bonuses by 62.7% or 8.7 billion yen to 5.2 billion yen, and notes and accounts payable, trade by 17.0% or 7.4 billion yen to 36.2 billion yen, despite the increase in bank loans by 21.3% or 9.0 billion yen to 51.3 billion yen. Long-term liabilities increased by 1.9% or 4.4 billion yen to 241.5 billion yen, compared to that at the end of the previous fiscal year. This was mainly attributable to the increases in investment deposits by policy holders, unearned premiums and other insurance liabilities by 4.0% or 5.3 billion yen to 138.9 billion yen, and straight bonds by 14.2% or 1.2 billion yen to 10.1 billion yen, despite the decrease in long-term loans by 11.1% or 2.1 billion yen to 17.6 billion yen.

Total net assets amounted to 808.8 billion yen, 5.9% or 44.7 billion yen higher than that at the end of the previous fiscal year, due to the increase in retained earnings by 4.9% or 29.8 billion yen, the decrease in losses in foreign currency translation adjustments by 34.4% or 9.5 billion yen, and the increase in unrealized gains on securities by 24.2% or 2.8 billion yen.

(3) Qualitative Information Regarding Consolidated Financial Projections

According to the financial results for the nine-month period ended December 31, 2013, consolidated revenue, consolidated operating profit, consolidated ordinary profit and consolidated net income reached a record-high, respectively, mainly due to the robust performance in security services segment.

Since the market situation remains uncertain, projections for the consolidated financial results for the fiscal year ending March 31, 2014 have not been changed from those disclosed on May 9, 2013.

Furthermore, the financial projections included in this document are based on both all information available at the time of the announcement and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred.

2. Items Regarding the Summary Information (Notes)

(1) Significant Changes in Subsidiaries in the Nine-month Period Ended December 31, 2013

Not applicable.

(2) Adoption of Unique Accounting Treatment for Preparation of Consolidated Quarterly Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Accounting Estimates and/or Restatements

Not applicable.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2013	December 31, 2013
ASSETS:		
Current assets:	542,836	516,679
Cash on hand and in banks	175,427	186,259
Cash deposits for armored car services	56,089	76,221
Call loans	46,500	24,500
Notes and accounts receivable, trade	106,638	87,323
Due from subscribers	24,059	24,439
Short-term investments	14,723	11,916
Lease receivables and investment in leased assets	27,569	28,506
Merchandises and products	12,321	12,384
Real estate inventories	12,944	200
Work in process	4,526	4,834
Costs on uncompleted construction contracts	7,563	12,086
Work in process for real estate inventories	13,348	16,249
Raw materials and supplies	6,430	6,868
Deferred income taxes	14,384	9,340
Short-term loans receivable	4,158	3,012
Other	18,453	14,192
Allowance for doubtful accounts	(2,302)	(1,657)
Fixed assets:	706,241	758,722
Tangible assets:	361,532	364,443
Buildings and improvements, net	155,839	154,881
Security equipment and control stations, net	67,200	70,339
Land	115,652	114,936
Other, net	22,839	24,286
Intangible assets	55,079	53,555
Investments and others:	289,629	340,722
Investment securities	189,042	236,634
Long-term loans receivable	42,338	44,468
Prepaid pension and severance costs	19,572	20,214
Deferred income taxes	11,711	9,654
Other	43,706	46,486
Allowance for doubtful accounts	(16,742)	(16,734)
Deferred assets	32	22
Total assets	1,249,110	1,275,423

(1) Consolidated Balance Sheets (Continued)

(In millions of yen)

	March 31, 2013	December 31, 2013
LIABILITIES:		
Current liabilities:	247,879	224,976
Notes and accounts payable, trade	43,684	36,237
Bank loans	42,350	51,375
Current portion of straight bonds	4,487	2,708
Lease obligations	537	531
Payables - other	31,406	29,130
Accrued income taxes	29,282	10,348
Accrued consumption taxes	4,377	4,105
Accrued expenses	4,571	4,265
Deferred revenue	30,880	32,041
Accrued bonuses	14,031	5,238
Provision for losses on construction contracts	1,714	1,226
Other	40,554	47,767
Long-term liabilities:	237,091	241,572
Straight bonds	8,847	10,101
Long-term loans	19,828	17,635
Lease obligations	3,438	4,004
Guarantee deposits received	36,125	36,603
Deferred income taxes	13,400	12,864
Accrued pension and severance costs	17,137	17,021
Accrued retirement benefits for directors and audit & supervisory board members	2,443	1,543
Investment deposits by policyholders, unearned premiums and other insurance liabilities	133,627	138,953
Other	2,242	2,845
Total liabilities	484,970	466,548
NET ASSETS:		
Shareholders' equity:	685,042	714,833
Common stock	66,377	66,377
Capital surplus	83,054	83,054
Retained earnings	609,275	639,080
Common stock in treasury, at cost	(73,664)	(73,678)
Accumulated other comprehensive income:	(16,018)	(3,598)
Unrealized gains (losses) on securities	11,783	14,632
Deferred gains (losses) on hedges	(41)	(31)
Foreign currency translation adjustments	(27,760)	(18,199)
Minority interests in subsidiaries	95,114	97,638
Total net assets	764,139	808,874
Total liabilities and net assets	1,249,110	1,275,423

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(In millions of yen)

	Nine-month period ended December 31, 2012	Nine-month period ended December 31, 2013
Revenue	547,347	594,649
Costs of revenue	356,731	392,899
Gross profit	190,615	201,750
Selling, general and administrative expenses	111,925	116,925
Operating profit	78,690	84,824
Non-operating income	8,488	10,238
Non-operating expenses	3,320	3,074
Ordinary profit	83,857	91,988
Extraordinary profit	218	628
Extraordinary losses	1,410	282
Income before income taxes	82,665	92,334
Income taxes - current	26,889	29,297
Income taxes - deferred	4,402	4,582
Total income taxes	31,291	33,879
Net income before minority interests in subsidiaries	51,373	58,455
Minority interests in subsidiaries	2,999	5,732
Net income	48,374	52,722

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Nine-month period ended December 31, 2012	Nine-month period ended December 31, 2013
Net income before minority interests in subsidiaries	51,373	58,455
Other comprehensive income:	1,678	13,483
Unrealized gains (losses) on securities	379	2,848
Foreign currency translation adjustments	513	7,069
Share of other comprehensive income of affiliated companies accounted for under the equity method	785	3,565
Comprehensive income	53,052	71,938
Comprehensive income attributable to:		
Owners of the parent company	50,018	65,142
Minority interests	3,034	6,796

(3) Notes Regarding the Consolidated Quarterly Financial Statement

[Notes Regarding the Assumption of Going Concern]

Not applicable.

[Notes Regarding Significant Changes in Shareholders' Equity]

Not applicable.

(4) Segment Information, etc.

I. Nine-month Period Ended December 31, 2012

1. Information about Amounts of Revenue and Profit or Loss of Reportable Segments

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	321,986	74,002	34,449	26,342	35,579
Intersegment	8,587	3,050	122	2,131	81
Subtotal	330,574	77,052	34,572	28,474	35,661
Segment profit (loss)	76,389	1,851	3,267	(5)	1,896

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Information and communication related services	Subtotal				
Revenue:						
Customers	17,804	510,165	37,181	547,347	-	547,347
Intersegment	3,065	17,039	3,079	20,118	(20,118)	-
Subtotal	20,869	527,204	40,260	567,465	(20,118)	547,347
Segment profit (loss)	2,193	85,593	4,247	89,840	(11,150)	78,690

Note 1: Real estate and other services is an operating segment not designated as a reportable segment, and comprises real estate development and sales, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 596 million yen and corporate expenses not allocated to each reportable segment of 10,553 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter.

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

2. Information About Assets by Reportable Segments

There were significant changes in the amount of assets by reportable segment in the nine-month period ended December 31, 2012 compared to the amount at the end of the previous fiscal year. The summary information is as follows:

In the fire protection services segment, the amount of segment assets increased by 20,794 million yen, arising from the acquisition of Nittan Co., Ltd. in the nine-month period ended December 31, 2012.

In the information and communication related services segment, the amount of segment assets increased by 91,518 million yen, arising from the acquisition of At Tokyo Corporation in the nine-month period ended December 31, 2012.

3. Information About Impairment Loss on Fixed Assets and Goodwill by Reportable Segments (Significant Changes in Goodwill)

In the fire protection services segment, goodwill increased due to the acquisition of Nittan Co., Ltd. in the nine-month period ended December 31, 2012. The amount of goodwill increased by 1,354 million yen in the nine-month period ended December 31, 2012.

In the information and communication related services segment, goodwill increased due to the acquisition of At Tokyo Corporation in the nine-month period ended December 31, 2012. The amount of goodwill increased by 18,258 million yen in the nine-month period ended December 31, 2012, which was a provisional amount as the purchase price allocation has not been completed.

II. Nine-month Period Ended December 31, 2013

1. Information about Amounts of Revenue and Profit or Loss by Reportable Segments

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geographic information services
Revenue:					
Customers	343,860	77,639	42,334	26,290	37,179
Intersegment	9,958	3,695	113	2,260	53
Subtotal	353,818	81,334	42,447	28,550	37,232
Segment profit	78,886	3,695	3,377	41	1,826

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	Information and communication related services	Subtotal				
Revenue:						
Customers	34,846	562,150	32,499	594,649	-	594,649
Intersegment	3,881	19,963	1,398	21,361	(21,361)	-
Subtotal	38,728	582,113	33,897	616,011	(21,361)	594,649
Segment profit	4,130	91,958	3,737	95,696	(10,872)	84,824

Note 1: Real estate and other services is an operating segment not designated as a reportable segment, and comprises real estate development and sales, real estate leasing, hotel businesses, etc.

Note 2: Adjustment of segment profit includes intersegment eliminations of 727 million yen and corporate expenses not allocated to each reportable segment of 10,144 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter.

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

2. Information About Changes in Reportable Segments

Until the previous fiscal year, security services, fire protection services, medical services, insurance services, geographic information services, and real estate development and sales had been designated as our reportable segments, and information and communication related and other services had been an operating segment not designated as reportable segments. We have been positioning information and communication related services as one of our core business, and now we recognize the significance of information and communication related services is increasing, resulting from the acquisition of At Tokyo Corporation, a subsidiary newly consolidated from the end of October 2012. Therefore, from the three-month period ended June 30, 2013, information and communication related services, formerly included in information and communication related and other services segments, is separately reported as a reportable segment to disclose business activities more adequately and improve the effectiveness of segment information.

Real estate development and sales segment had been reported as a reportable segment, due to the fact that the absolute value of operating losses of real estate development and sales business incurred in the fiscal year ended March 31, 2009 exceeded 10% of the total amount of operating profits from segments incurring operating profits. Since the significance to disclose real estate development and sales segment as a reportable segment has decreased, its name was changed to real estate and other services segment, which is an operating segment not designated as reportable segments.

From the three-month period ended June 30, 2013, our reportable segments include security services, fire protection services, medical services, insurance services, geographic information services, and information and communication related services.

Segment information in nine-month period ended December 31, 2012, was reclassified to conform to this change.

(5) Significant Subsequent Events

Not applicable.