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QUARTERLY FINANCIAL REPORT FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015

(Based on JAPANESE GAAP) (Consolidated)

August 5, 2015

Company name: SECOM CO., LTD. (URL: <http://www.secom.co.jp/>)
 Code number: 9735 Tokyo Stock Exchange ----- First Section
 Representative: Hiroshi Ito, President and Representative Director
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 Scheduled date of filing Quarterly Securities Report: August 14, 2015
 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, 2015 (April 1, 2015–June 30, 2015)

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

	Three-month Period Ended June 30	
	2014	2015
Revenue	190,206 (0.2%)	198,204 4.2%
Operating profit	29,736 7.3%	30,674 3.2%
Ordinary profit	36,322 11.8%	32,327 (11.0%)
Net income attributable to owners of the parent	22,917 20.3%	20,518 (10.5%)
Basic net income per share (in yen)	105.00	94.01
Diluted net income per share (in yen)	—	—

Note 1: Comprehensive income:

Three-month period ended June 30, 2015: JPY 24,766 million (0.8%)

Three-month period ended June 30, 2014: JPY 24,580 million ((6.3%))

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, 2015	June 30, 2015
Total assets	1,410,715	1,382,708
Net assets	907,341	916,260
Equity ratio	56.7%	58.5%
Net assets per share (in yen)	3,667.33	3,708.65

Note 1: Equity as of:

June 30, 2015 : JPY 809,462 million

March 31, 2015 : JPY 800,445 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		
	2015	2016	2016 (projected)
1 st quarter dividends per share (in yen)	–	–	
2 nd quarter dividends per share (in yen)	60.00		65.00
3 rd quarter dividends per share (in yen)	–		–
Year-end dividends per share (in yen)	65.00		70.00
Annual dividends per share (in yen)	125.00		135.00

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

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2016 (April 1, 2015 – March 31, 2016) and the six-month period ending September 30, 2015 (April 1, 2015 – September 30, 2015)

(In millions of yen)

	Six-month period ending September 30, 2015	Year ending March 31, 2016
Projected revenue	407,000 3.5%	866,000 3.0%
Projected operating profit	58,000 (2.7%)	126,100 2.0%
Projected ordinary profit	59,800 (14.9%)	131,100 (4.1%)
Projected net income attributable to owners of the parent	36,700 (10.9%)	80,200 6.4%
Projected basic net income per share (in yen)	168.15	367.45

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, 2016 and the six-month period ending September 30, 2015 are calculated based on the number of average common shares outstanding over the three-month period ended June 30, 2015, assuming that it remains the same until March 31, 2016.

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

※ Note

1. Significant changes in subsidiaries during the three-month period ended June 30, 2015 (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:
 - ① Changes in accounting policies associated with amendment of accounting standards: None
 - ② Other changes in accounting policies: None
 - ③ Changes in accounting estimates: None
 - ④ Restatements: None
4. Number of common shares outstanding :
 - ① Number of common shares outstanding, including treasury stock, as of:
 - June 30, 2015 : 233,288,717 shares
 - March 31, 2015 : 233,288,717 shares
 - ② Number of shares of treasury stock, as of:
 - June 30, 2015 : 15,025,234 shares
 - March 31, 2015 : 15,024,812 shares
 - ③ Number of average common shares outstanding over:
 - The three-month period ended June 30, 2015: 218,263,639 shares
 - The three-month period ended June 30, 2014: 218,266,420 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 Three-month Period Ended June 30, 2015 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

Contents for the Appendices

- 1. Qualitative Information Regarding the Three-month Period Ended June 30, 2015..... - 2 -
 - (1) Qualitative Information Regarding Consolidated Financial Results..... - 2 -
 - (2) Qualitative Information Regarding Consolidated Financial Position - 3 -
 - (3) Qualitative Information Regarding Consolidated Financial Projections - 4 -
- 2. Items Regarding the Summary Information (Other) - 4 -
 - (1) Significant Changes in Subsidiaries in the Three-month Period Ended June 30, 2015..... - 4 -
 - (2) Adoption of Unique Accounting Treatment for Preparation of Consolidated Quarterly Financial Statements
..... - 4 -
 - (3) Changes in Accounting Policies, Accounting Estimates and/or Restatements - 4 -
 - (4) Additional Information - 4 -
- 3. Consolidated Quarterly Financial Statements - 5 -
 - (1) Consolidated Balance Sheets - 5 -
 - (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income - 7 -
 - (3) Notes Regarding the Consolidated Quarterly Financial Statement..... - 8 -
 - (4) Segment Information, etc..... - 9 -
 - (5) Significant Subsequent Events - 10 -

1. Qualitative Information Regarding the Three-month Period Ended June 30, 2015

(1) Qualitative Information Regarding Consolidated Financial Results

During the three-month period ended June 30, 2015, while a slight pause was seen in the economic recovery, Japanese economy has been in moderate upward trend as shown in the improvements in the capital investments due mainly to the improved corporate earnings and the wealth effects of rising share prices and continued favorable tendency in employment and individual income levels.

In this environment, we have been continuously trying to satisfy the increasingly diversified and sophisticated needs of our customers for their security, peace of mind, convenience and comfort, 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. Furthermore, preparing for future Japanese society, we promote the effort to develop innovative services through ALL SECOM concept, in terms of key themes: super-aged society and disaster preparedness/business continuity planning (BCP)/environmental preservation, based on a foundation of our security services. In April 2015, we also established “SECOM Lifestyle Partner Kugayama” in Suginami-ward, Tokyo, where home to a number of Secom Group facilities include visiting nurse / care stations, pharmacy outlets, affiliated hospitals, designed to provide one-stop consultation services addressing a variety of worries for seniors.

Consolidated revenue for the three-month period ended June 30, 2015 increased by 4.2% to 198.2 billion yen. Consolidated operating profit increased by 3.2% to 30.6 billion yen. Consolidated ordinary profit decreased by 11.0% or 3.9 billion to 32.3 billion yen, mainly due to the decrease in net gains on private equity investment in the U.S. recorded 5.3 billion yen in the previous corresponding period (2015/6: 0.1 billion yen). Consolidated net income attributable to owners of the parent decreased by 10.5% or 2.3 billion yen to 20.5 billion yen. For the three-month period ended June 30, 2015, consolidated revenue and consolidated operating profit have reached a record-high, respectively.

Segment information is as follows.

In the security services segment, revenue increased by 1.6% to 115.0 billion yen and operating profit went up by 2.2% to 27.8 billion yen, mainly due to brisk sales of on-line security systems for commercial and residential use and security merchandise including security camera systems.

In the fire protection services segment, revenue increased by 18.6% to 26.0 billion yen, mainly due to the active marketing efforts and the contribution of large-scale projects. Operating profit was up by 115.7% to 1.8 billion yen. Revenue tends to increase toward the end of the fiscal year, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue increased by 6.7% to 14.8 billion yen, mainly due to firm increase in sales of pharmaceutical products and medical equipment. Operating profit increased by 21.4% to 1.3 billion yen, chiefly owing to the improvement of cost ratio.

In the insurance services segment, revenue increased by 8.2% to 9.3 billion yen, mainly due to the firm increase in sales of MEDCOM, an unrestricted cancer treatment policy provided by Secom General Insurance Co., Ltd. Operating profit went down by 20.6% to 1.6 billion yen, mainly owing to the recording a reversal of unearned premiums related to damage of heavy snow occurred in February 2014 in the previous corresponding period.

In the geographic information services segment, revenue decreased by 5.6% to 9.8 billion yen, reflecting the decrease in revenue in public division. Operating loss was 0.8 billion yen, from an operating loss of 0.2 billion yen in the previous corresponding period, mainly due to the increase in cost ratio. Revenue tends to concentrate toward the end of the fiscal year, due to the fact that deliveries of public-sector contracts, which is the primary market for this segment, are mainly made at the end of March.

In the information and communication related services segment, revenue decreased by 0.7% to 11.3 billion yen. Operating profit increased by 6.8% to 1.2 billion yen, chiefly owing to decrease in selling, general and administrative expenses.

In the real estate and other services segment, revenue increased by 11.3% to 11.6 billion yen, chiefly due to the increase in revenue in real estate development and sales business. Operating profit went up by 35.1% to 1.3 billion yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Consolidated Balance Sheets

Total assets as of June 30, 2015 amounted to 1,382.7 billion yen, 2.0% or 28.0 billion yen lower than that at the end of the previous fiscal year. Total current assets, at 574.0 billion yen, were down 4.3% or 26.0 billion yen. This was largely attributable to increases in call loans by 29.0% or 4.5 billion yen to 20.0 billion yen, short-term investments by 9.8% or 2.8 billion yen to 31.3 billion yen, and cash on hand and in banks by 1.1% or 2.5 billion yen to 234.7 billion yen, despite the decrease in notes and accounts receivable, trade by 31.2% or 35.5 billion yen to 78.4 billion yen. Total fixed assets, at 808.6 billion yen, were down 0.2% or 1.9 billion yen. This was mainly attributable to decreases in investment securities by 0.7% or 2.0 billion yen to 282.2 billion yen.

Total liabilities amounted to 466.4 billion yen, 7.3% or 36.9 billion yen lower than that at the end of the previous fiscal year. Total current liabilities amounted to 208.0 billion yen, down 16.0% or 39.6 billion yen, owing to decreases in accrued income taxes by 70.5% or 14.8 billion yen to 6.2 billion yen, notes and accounts payable, trade by 19.2% or 8.3 billion yen to 34.8 billion yen, and bank loans by 14.5% or 6.5 billion yen to 38.4 billion yen, and accrued consumption taxes by 49.3% or 6.3 billion yen to 6.5 billion yen. Long-term liabilities increased by 1.1% or 2.7 billion yen to 258.3 billion yen, compared to that at the end of the previous fiscal year. This was mainly attributable to the increases in deferred

income taxes by 16.3% or 2.2 billion yen to 15.7 billion yen, and investment deposits by policyholders, unearned premiums and other insurance liabilities by 0.9% or 1.3 billion yen to 151.5 billion yen.

Total net assets amounted to 916.2 billion yen, 1.0% or 8.9 billion yen higher than that at the end of the previous fiscal year, mainly due to the increases in retained earnings by 0.9% or 6.3 billion yen, and unrealized gains on securities by 11.8% or 3.1 billion yen, despite the decrease in foreign currency translation adjustments by 48.7% or 0.7 billion yen.

(3) Qualitative Information Regarding Consolidated Financial Projections

The financial results for the three-month period ended June 30, 2015 were generally within our projections.

Accordingly, projections for the consolidated financial results for the six-month period ending September 30, 2015 and the fiscal year ending March 31, 2016 have not been changed from those disclosed on May 11, 2015.

(Notes for financial projections)

Projections for the consolidated financial results for the six-month period ending September 30, 2015 and the fiscal year ending March 31, 2016, are based on management's assumptions in light of information currently available. As actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred, you should refrain from making an investment decision by solely relying on these projections. Such factors include, but are not limited to, changes in economic conditions affecting our group's operations, market trends, legislative changes, occurrences of natural disasters and the results of contingency.

2. Items Regarding the Summary Information (Other)

(1) Significant Changes in Subsidiaries in the Three-month Period Ended June 30, 2015

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.

(4) Additional Information

The Company adopted the provision in the section 39 of the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), and changed the presentation of net income, etc. as well as the presentation of minority interests to noncontrolling interests. To reflect these changes in the presentations, the quarterly consolidated financial statements for the three-month period ended June 30 of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been reclassified.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2015	June 30, 2015
ASSETS:		
Current assets:	600,146	574,071
Cash on hand and in banks	232,221	234,726
Cash deposits for armored car services	50,395	50,952
Call loans	15,500	20,000
Notes and accounts receivable, trade	114,071	78,496
Due from subscribers	26,316	25,615
Short-term investments	28,517	31,318
Lease receivables and investment in leased assets	39,242	38,425
Merchandises and products	14,163	14,171
Real estate inventories	3,063	2,494
Work in process	4,031	4,780
Costs on uncompleted construction contracts	9,460	9,841
Work in process for real estate inventories	21,058	23,387
Raw materials and supplies	7,913	8,203
Deferred income taxes	12,808	9,679
Short-term loans receivable	2,268	2,678
Other	21,111	21,184
Allowance for doubtful accounts	(1,997)	(1,884)
Fixed assets:	810,541	808,611
Tangible assets:	362,161	362,158
Buildings and improvements	148,375	148,435
Security equipment and control stations	70,478	72,162
Land	119,604	118,821
Other	23,702	22,739
Intangible assets	49,411	49,384
Investments and others:	398,969	397,068
Investment securities	284,322	282,223
Long-term loans receivable	42,904	42,293
Net defined benefit asset	35,010	35,599
Deferred income taxes	4,874	4,804
Other	49,382	49,606
Allowance for doubtful accounts	(17,525)	(17,458)
Deferred assets	26	25
Total assets	1,410,715	1,382,708

(1) Consolidated Balance Sheets (Continued)

(In millions of yen)

	March 31, 2015	June 30, 2015
LIABILITIES:		
Current liabilities:	247,755	208,080
Notes and accounts payable, trade	43,160	34,857
Bank loans	44,965	38,448
Current portion of straight bonds	1,414	1,522
Lease obligations	503	495
Payables - other	33,849	29,815
Accrued income taxes	21,063	6,203
Accrued consumption taxes	12,878	6,532
Accrued expenses	4,653	4,776
Deferred revenue	31,348	32,872
Accrued bonuses	14,652	9,039
Provision for loss on construction contracts	1,612	1,328
Other	37,653	42,188
Long-term liabilities:	255,618	258,367
Straight bonds	8,413	8,215
Long-term loans	20,602	20,403
Lease obligations	3,712	3,676
Guarantee deposits received	36,000	35,752
Deferred income taxes	13,554	15,757
Accrued retirement benefits for directors and corporate auditors	1,415	1,426
Net defined benefit liability	18,504	18,435
Investment deposits by policyholders, unearned premiums and other insurance liabilities	150,119	151,513
Other	3,295	3,184
Total liabilities	503,374	466,447
NET ASSETS:		
Shareholders' equity:	767,630	774,038
Common stock	66,377	66,377
Capital surplus	80,265	80,346
Retained earnings	694,688	701,019
Common stock in treasury, at cost	(73,701)	(73,704)
Accumulated other comprehensive income:	32,815	35,424
Unrealized gains on securities	26,981	30,176
Deferred losses on hedges	(34)	(33)
Foreign currency translation adjustments	1,477	757
Remeasurements of defined benefit plans, net of taxes	4,390	4,523
Noncontrolling Interests	106,895	106,797
Total net assets	907,341	916,260
Total liabilities and net assets	1,410,715	1,382,708

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

Consolidated Statements of Income

(In millions of yen)

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Revenue	190,206	198,204
Costs of revenue	121,783	128,789
Gross profit	68,422	69,414
Selling, general and administrative expenses	38,686	38,739
Operating profit	29,736	30,674
Non-operating income	7,529	2,463
Non-operating expenses	942	811
Ordinary profit	36,322	32,327
Extraordinary profit	1,789	156
Extraordinary losses	112	54
Income before income taxes	37,999	32,428
Income taxes - current	4,079	6,320
Income taxes - deferred	8,614	4,037
Total income taxes	12,694	10,358
Net income	25,305	22,070
Net income attributable to noncontrolling interests	2,387	1,552
Net income attributable to owners of the parent	22,917	20,518

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Net income	25,305	22,070
Other comprehensive income (losses):	(724)	2,695
Unrealized gains on securities	1,850	3,201
Foreign currency translation adjustments	(1,592)	(664)
Remeasurements of defined benefit plans, net of taxes	149	80
Share of other comprehensive income of affiliated companies accounted for under the equity method	(1,132)	77
Comprehensive income	24,580	24,766
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	22,257	23,127
Comprehensive income attributable to noncontrolling interests	2,322	1,638

(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.

[Segment Information]

I. Three-month Period Ended June 30, 2014

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	113,284	21,974	13,922	8,660	10,474
Intersegment	3,446	1,399	35	798	84
Subtotal	116,731	23,373	13,957	9,459	10,559
Segment profit (loss)	27,277	867	1,150	2,110	(246)

	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	11,384	179,700	10,505	190,206	-	190,206
Intersegment	1,448	7,213	564	7,777	(7,777)	-
Subtotal	12,832	186,914	11,069	197,984	(7,777)	190,206
Segment profit (loss)	1,147	32,306	1,030	33,336	(3,600)	29,736

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, construction and installation services, hotel businesses, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 261 million yen and corporate expenses not allocated to each reportable segment of 3,338 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.

2. Information About Impairment Loss on Fixed Assets and Goodwill by Reportable Segments

(Significant Changes in Goodwill)

Goodwill decreased due to the application of the Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013), and Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013) from the three-month period ended June 30, 2014.

The amount of goodwill decreased by 3,675 million yen in the security services segment, 10 million yen in the fire protection services segment, 219 million yen in the insurance services segment, 1

million yen in the geographic information services segment, and 192 million yen in the information and communication related services segment for the three-month period ended June 30, 2014.

II. Three-month Period Ended June 30, 2015

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	115,057	26,056	14,848	9,368	9,883
Intersegment	2,943	1,083	43	776	41
Subtotal	118,001	27,139	14,892	10,145	9,925
Segment profit (loss)	27,864	1,870	1,396	1,676	(887)

	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	11,300	186,515	11,688	198,204	-	198,204
Intersegment	2,292	7,181	469	7,651	(7,651)	-
Subtotal	13,593	193,697	12,158	205,855	(7,651)	198,204
Segment profit (loss)	1,225	33,145	1,391	34,536	(3,861)	30,674

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, construction and installation services, etc.

Note 2: Adjustment of segment profit/loss includes intersegment eliminations of 48 million yen and corporate expenses not allocated to each reportable segment of 3,813 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.

(5) Significant Subsequent Events

Not applicable.