



SECOM REPORT 2024

Year ended March 31, 2024



Profile

SECOM CO., LTD., a pioneer in Japan's security services industry, was established in 1962. Since then, the Company has sought to create innovative services that benefit society as a whole, in line with its mission of helping achieve a society free from concerns.

Today, SECOM, comprising the parent company and the companies of the SECOM Group, boasts an extensive business portfolio encompassing security services, fire protection services, medical services, insurance services, geospatial information services, business process outsourcing and information and communications technology (BPO and ICT) services, and other services. By striving to create services and systems that deliver safety and peace of mind, as well as make life more comfortable and convenient, SECOM is striving to realize its Social System Industry vision, which describes a framework of distinctive, integrated services and systems essential to society.

Operating in an environment characterized by significant upheaval and amplified uncertainties, in 2017 SECOM formulated the SECOM Group's Vision for 2030 with the aim of accelerating realization of the Social System Industry vision. Guided by this vision, the Company is building the ANSHIN* Platform, a service infrastructure designed to provide peace of mind to people in their everyday lives, as well as to society as a whole. By identifying diverse needs arising from social change and responding with provision of a steady stream of new services, SECOM will seek to further accelerate its own growth while delivering safety and peace of mind whatever the situation.

SECOM has also expanded into 17 countries and territories outside Japan. Currently, Group companies extend distinctive SECOM security services, fire protection services, medical services, geospatial information services, and BPO and ICT services customized to reflect local needs and sensibilities. Going forward, SECOM will continue to broaden global awareness of the SECOM brand.

* ANSHIN is Japanese for "peace of mind."

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Corporate Philosophy



SECOM's Philosophy

SECOM's Philosophy has been passed down through generations of employees since our establishment and continues to be the driving force behind all we do. This philosophy emphasizes a refusal to be content with the status quo and a commitment to doing what is appropriate. The first element expresses our determination to provide innovative services and systems by challenging accepted norms, while the second means judging the legitimacy of our actions by examining whether they are just, fair and beneficial not only to SECOM but also to society as a whole. We have published SECOM's Philosophy in the form of a handbook, which has been distributed to employees in Japan and overseas, and continue to capitalize on training and other opportunities to share the philosophy and advance its implementation.



Financial Highlights

U.S. GAAP

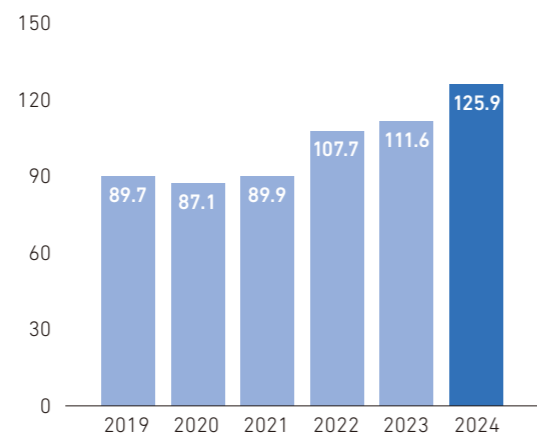
SECOM CO., LTD. and Subsidiaries For the years ended/as of March 31	In millions of yen			In thousands of U.S. dollars
	Years ended March 31			Year ended March 31
	2024	2023	2022	2024
Net sales and operating revenue	¥1,283,898	¥1,227,316	¥1,166,098	\$ 8,502,636
Operating income	154,966	145,552	156,402	1,026,264
Net income attributable to SECOM CO., LTD.	125,884	111,558	107,731	833,669
Total assets	2,378,097	2,277,379	2,183,466	15,748,987
Total SECOM CO., LTD. shareholders' equity	1,329,027	1,267,205	1,209,512	8,801,505

Per share of common stock:	In yen			In U.S. dollars
	2024	2023	2022	2024
Net income attributable to SECOM CO., LTD.	¥ 595.19	¥ 516.68	¥ 492.83	\$ 3.94
Cash dividends	190.00	180.00	175.00	1.26
(Interim dividend)	95.00	90.00	90.00	0.63
SECOM CO., LTD. shareholders' equity	6,313.92	5,906.70	5,546.11	41.81

- Notes: 1. Yen amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the approximate rate of ¥151=US\$1, the rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2024.
2. Net income attributable to SECOM CO., LTD. per share of common stock is based on the average number of shares outstanding during each period, less treasury stock.
3. SECOM CO., LTD. shareholders' equity per share of common stock is based on the number of shares outstanding at the end of each period, less treasury stock.
4. Cash dividends per share of common stock are based on dividends approved and paid in each fiscal year. At the general shareholders' meeting held on June 25, 2024, approval was granted for a proposal to pay a year-end dividend of ¥95.00 for the year ended March 31, 2024.

Net income attributable to SECOM CO., LTD. (U.S. GAAP)

(In billions of yen)



Note: In the fiscal year ended March 31, 2024, net income attributable to SECOM CO., LTD., advanced ¥14.3 billion, to ¥125.9 billion. This primarily reflected an increase in operating income, as a higher gain on other-than-temporary impairment of investment securities and a decline in losses due to natural disasters pushed up operating income in the insurance services segment, while steady orders and systematic price adjustments underpinned a rise in the fire protection services segment. Other contributing factors included elevated gains on other-than-temporary impairment of investment securities and on private equity investments in segments other than insurance services.

In the fiscal year ended March 31, 2023, net income attributable to SECOM CO., LTD., advanced ¥3.8 billion, to ¥111.6 billion. This was despite a decline in operating income—owing to the fact that the security services and fire protection segments benefited from comparatively profitable projects in the preceding period, as well as to investments in growth, primarily in the security services segment; an increase in losses due to natural disasters in the insurance services segment; and an elevated fuel cost adjustment unit price in the BPO and ICT segment—and reflected increases in gain on private equity investments and equity in net income of affiliated companies.

In the year ended March 31, 2022, net income attributable to SECOM CO., LTD., advanced ¥17.8 billion, to ¥107.7 billion. The principal factor behind this result was higher operating income. This was due to increases in net sales and operating revenue, and in operating income, in three segments. Higher results in the security services segment were underpinned by increases for electronic security services in Japan and overseas and for static security guard services. The fire protection services segment benefited from a concentration of profitable projects during the period. The medical services segment was bolstered by improvements in the earnings of partner hospitals in Japan and a general hospital in India.

Pursuant to the applicable Japanese law, SECOM is required to publish results in line with accounting principles generally accepted in Japan (Japanese GAAP). Key financial highlights calculated using Japanese GAAP are shown below for reference.

Japanese GAAP

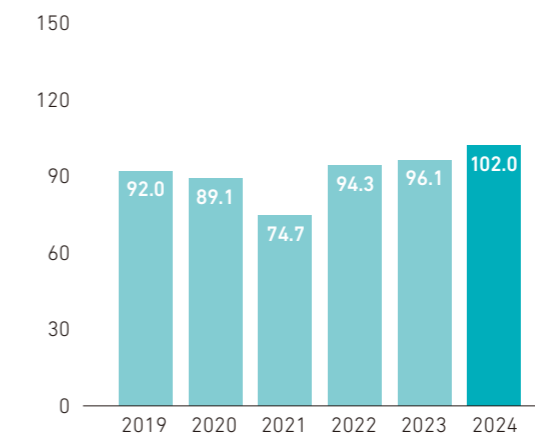
SECOM CO., LTD. and Subsidiaries For the years ended/as of March 31	In millions of yen			In thousands of U.S. dollars
	Years ended March 31			Year ended March 31
	2024	2023	2022	2024
Revenue	¥1,154,740	¥1,101,307	¥1,049,859	\$ 7,647,285
Operating profit	140,658	136,700	143,499	931,510
Ordinary profit	166,859	156,124	153,186	1,105,026
Net income attributable to owners of the parent	101,951	96,085	94,273	675,172
Total assets	2,080,781	1,989,062	1,907,755	13,780,007
Total net assets	1,390,689	1,316,047	1,256,036	9,209,861

Per share of common stock:	In yen			In U.S. dollars
	2024	2023	2022	2024
Net income	¥ 482.04	¥ 445.02	¥ 431.27	\$ 3.19
Cash dividends	190.00	185.00	180.00	1.26
(Interim dividend)	95.00	90.00	90.00	0.63
Net assets	5,816.74	5,427.63	5,147.30	38.52

Note: Cash dividends per share of common stock are based on dividends the record dates for which fall in each fiscal year. The consolidated dividend payout ratio for the year ended March 31, 2024, was 39.4%.

Net income attributable to owners of the parent (Japanese GAAP)

(In billions of yen)



We will continue to remain true to the commitment to safety and peace of mind that has defined SECOM since its founding while at the same time addressing the challenge of evolving with the times.



Yasuyuki Yoshida
President and Representative Director

» Consolidated Operating Results

In the fiscal year ended March 31, 2024, the Japanese economy showed signs of a gradual recovery, as capital investment and private-sector consumption picked up amid improvements in the employment and income environment. Nonetheless, downside economic risks, including those associated with rising prices and tightening monetary policy around the world, as well as with overseas economic conditions and fluctuations in financial and currency exchange markets, continued to warrant concern.

Against this backdrop, we pressed forward with efforts to realize the SECOM Group's Vision for 2030, formulated with the aim of realizing our Social System Industry vision, which seeks to deliver safety and peace of mind, as well as to make life more comfortable and convenient. These focused on extending meticulously tailored, seamless services that respond to more and more diverse customer needs arising from socioenvironmental changes.

Consolidated net sales and operating revenue for the period under review amounted to ¥1,283.9 billion, up 4.6%, or ¥56.6 billion, from the previous fiscal year, reflecting, among others, an increase in sales and operating revenue in the area of electronic security services and contributions from Senon Ltd., which became a consolidated subsidiary in July 2022, as well as increases in the fire protection services segment, bolstered by firm orders, and the insurance services segment, owing to a higher gain on other-than-temporary impairment of investment securities. Operating income rose 6.5%, or ¥9.4 billion, to ¥155.0 billion, as

the higher gain on other-than-temporary impairment of investment securities combined with a decline in losses due to natural disasters to push up operating income in the insurance services segment, while firm orders and systematic price adjustments underpinned results in the fire protection services segment. Net income attributable to SECOM CO., LTD., advanced 12.8%, or ¥14.3 billion, to ¥125.9 billion, thanks to the operating income gain, as well as other factors such as elevated gains on other-than-temporary impairment of investment securities and private equity investments.

» Initiatives under the SECOM Group Road Map 2027

The security services industry has entered a period of transformation. The industry continues to benefit significantly from remarkable technological advances in such cutting-edge areas as artificial intelligence (AI), the Internet of Things (IoT), image analysis, cloud computing and 5G communications. At the same time, in Japan worsening perceptions of public safety, a declining labor force and the aging of society have taken on greater urgency, while issues such as increasingly frequent and severe natural disasters, together with increasing instability and advancing inflation worldwide, are becoming more and more acute.

In May 2023 we announced the SECOM Group Road Map 2027, which clarifies our direction through to the fiscal year ending March 31, 2028, to ensure achievement of the SECOM Group's Vision for 2030. This road map sets forth five core strategies: Expand monitoring and security services, strengthen overseas operations, reinforce BPO and ICT services, improve productivity and reward stakeholders.

Initiatives to expand monitoring and security services emphasize realizing seamless protection in the area of home security services, which offer protection in the event of an emergency, and monitoring services, which leverage multiple sensing technologies and the cloud to provide protection in everyday life. We are working to develop a variety of monitoring services for seniors, and for their family members and personal care providers, among others. Recent new additions to our lineup include YORISOS, an emergency alert and daily health management support app that can be linked to the Apple Watch's fall detection feature.

In the area of security services for commercial facilities, we are working to broaden acceptance of our mainstay System Security AZ series. As well as AZ-Air, which continues to earn high marks for use in small and medium-sized business and in retail facilities, in May 2023 we launched AZ-Access, an ideal access control system for

customers with large-scale commercial facilities or multiple locations. We also continue to capitalize on the outstanding scalability of the System Security AZ series to extend services that benefit the operation of our customers. One example is web-based store and facility management support service dot-i, which stores images captured by security cameras, allowing subscribers to remotely confirm facilities' display organization and cleaning, helping subscribers cope with labor shortages amid intensifying competition to secure staff. With the use of robots expected to increase in response to the growing labor-saving needs of companies, in June 2024 we established SECOM AZ Certified, a standard for the integration of AZ series systems and robots. Concurrently, we introduced an AZ series system that is integrated with cleaning robots manufactured by a major information systems provider, our first initiative under this new standard. In July 2024, we launched the Interactive Security Service, which combines AZ series systems to allow employees at attended retail facilities such as convenience stores to press a dedicated button if they feel anxious or in danger to alert SECOM, which checks images and voices captured and responds appropriately. By expanding our offerings and adding innovative functions, we will continue to increase opportunities for customers to choose systems in the System Security AZ series, helping drive market expansion, as well as to provide greater value, thereby boosting customer satisfaction.

Labor shortages are becoming an increasing issue in the security services industry as the labor force contracts. With the release of our cocobo autonomous security robot and the Virtual Keibi System, which employ AI and other cutting-edge technologies, we have fortified our ability to provide security while improving the efficiency of staff assignments and trimming costs. In October 2023, we completed development of the SECOM Drone XX ("double X"), a security

drone that uses AI to patrol and monitor for intrusions. We will continue to promote digital transformation (DX) with the objective of extending SECOM systems and know-how to partners in the security services industry.

Recognizing that Japan's declining birthrate and aging population are issues that will not be easily resolved, and in light of persistent concerns that the domestic market will continue to shrink over the long term, we see strengthening our overseas operations, as well as broadening our global presence, as essential to maintaining stable growth. In areas where we already have operations, particularly countries and territories in Southeast Asia, as well as Australia and New Zealand, our focus is on developing new and enhancing existing services to better respond to local market needs. In Thailand, we have introduced new cloud-based systems and launched an advertising and publicity campaign, both of which have begun to yield positive results. In March 2024, we also began offering SECOM Smart Security Care, a monitoring service for senior citizens, in response to declining birth rates and the aging of the population, also a key social imperative in Thailand. We also continue to invest in promising businesses in overseas markets. In the period under review, we invested in cloud-based security systems companies Eagle Eye Networks, Inc., and Brivo, Inc., leading providers of software as a service (SaaS), principally in North America, and will seek to step up the provision of these companies' security systems in countries and territories where we already operate, as well as to leverage both companies' advanced technologies to promote new business development in the United States. In India, where we have been providing medical services for a decade and which remains a promising market, we announced plans to build a second general hospital in Bengaluru near our existing facility, Sakra World Hospital, which is scheduled to open in 2027. Efforts to strengthen our overseas operations will not be limited to the security services businesses. Going forward, we will continue to seek out promising opportunities for mergers and acquisitions (M&A) in diverse areas, including health tech.

To reinforce BPO and ICT services, in August 2023 we invested in ARTERIA Networks Corporation, a Japan-based optical fiber communications provider, which is now accounted for under the equity method. The addition of ARTERIA Network's network services and Internet services businesses to our portfolio will enable us to fortify the business infrastructure supporting our customers' operations in a manner that delivers safety and peace of mind, as well as makes life more comfortable and convenient. With demand for data centers expected to

proliferate as the use of generative AI and cloud-based services expands, in July 2024 subsidiary At Tokyo Corporation began operating a new large-scale urban data center located in the Shibaura–Shinagawa area in central Tokyo. Taking customer needs into consideration, this new data center operates with virtually 100% renewable energy. At Tokyo and ARTERIA Networks will also install a fiber optic cable across the Port of Tokyo that will connect the Shibaura–Shinagawa area with the Toyosu–Ariake area, where a significant number of IT companies are located, providing the shortest route between the two, which we expect to underscore appreciation of the new urban data center's role as a network hub from customers both in Japan and overseas. In October 2025, subsidiary Secom Trust Systems Co., Ltd., also plans to open a new data center facility in Tokyo adjacent to its Secure Data Center.

To improve productivity, we continuously review processes and update systems. We are gradually expanding our use of generative AI, including adopting related technologies for use in some areas of our organization, as well as working to improve the efficiency of daily procedures. Looking ahead, we plan to steadily promote investments that will make us more productive, including in systems innovation and the use of AI. We will also work to step up the creation of workplaces conducive to employee concentration for tasks that require human competencies.

Efforts to reward stakeholders focus on securing and fostering human resources, which are critical to our ability to provide services that deliver safety and peace of mind, and enhancing employee engagement. We are also raising salaries, including by implementing our third consecutive annual base salary increase in the period under review. Of particular note, we have bolstered the wages of those employees responsible for the provision of security services. Additionally, in March 2024 each employee was allotted 25 shares of common stock as restricted stock compensation. We have also introduced an incentive system as part of our employee shareholders' association. We believe that holding shares helps strengthen employees' sense of playing a role in operations. It is our hope that these and other initiatives will boost the motivation of everyone from security services employees to administrative staff, and we are confident that they will underpin successful efforts to attract and retain human resources. As part of our commitment to the environment, we have formulated a target for achieving carbon neutrality for the SECOM Group by 2045 with the aim of contributing to the prevention of global warming and continue to work as one to implement measures to reduce our emissions. We have joined RE100, a global initiative, with

the objective of transitioning fully to electricity generated using renewable energy for our operations. We also recently became the first company in Japan's security services industry to conclude a virtual power purchase agreement (PPA), a scheme for trading the environmental value of renewable energy. Since March 2024, we have capitalized on

a new dedicated solar power generating facility to expand our stable use of renewable energy over the long term, as well as to the renewable energy capacity of the grid. We will continue to press ahead with a variety of sustainability strategies to earn the trust of all stakeholders.

» A new management team

To accelerate growth under the SECOM Group Road Map 2027, the Board of Directors resolved at a meeting held on February 8, 2024, to appoint a new president and representative director. I was entrusted with this position effective from April 1, 2024. Under my leadership, we will expedite the implementation of initiatives aimed at achieving the targets of the SECOM Group's Road Map 2027.

SECOM has a rugby team called Sayama SECOM Rugguts. A well-known phrase that is commonly used as a motto in the rugby world in Japan is "One for all, all for one." The second half of this motto, "all for one," refers to a team moving together in solidarity and unity toward a common objective. I look forward to leading the SECOM team forward while paying attention to the diverse views of employees as we work as one toward our ultimate objective.

» Improving employee engagement

I began my career at SECOM as a static security guard at Narita International Airport, where I was assigned when I joined the Company. SECOM has always believed that its ability to provide high-grade services that enjoy the support of customers is attributable to the superb skills and strong morals of its employees. I believe that enhancing employee engagement, one of the key initiatives set forth in the SECOM Group's Road Map 2027, is the most important challenge facing us.

SECOM security services are provided around the clock. Accordingly, we recognize security services employees as essential workers critical to our infrastructure for extending services that deliver safety and peace of mind that support the everyday activities and lives of subscribers. Our employees are earnest and feel it is their mission to be of use to society. My goal is to help build a company where such employees are excited about their work, feel fulfilled and receive salaries commensurate with their performance. Creating an environment that encourages employees to remain with SECOM over the long term and enables us to secure superior human resources is crucial to our ability to boost service quality and productivity, ultimately differentiating us from our competitors. To this end, we must improve employee engagement.

In the environment of relentlessly rising inflation, my policy is to focus on enhancing employee engagement. In the fiscal year ending March 31, 2025, we anticipate that annual personnel expenses will be approximately ¥15 billion higher than in the period under review, owing to regular salary and base salary increases and better compensation for security services employees. Wage increases will be far reaching, benefiting everyone from security services employees to office staff, with the average rise being 6.3%. For security services employees, the rate will be somewhat more generous at between 8% and 11%. While this may seem like rather a significant cost surge, we view it as an investment, believing that investing in human resources will substantially benefit the quality of and value provided by our services over the medium to long term.

I am a firm believer in the idea that good products should be priced accordingly. At the same time, I also recognize that the prices for the products and services provided by our high-grade human resources must be reasonable. I am confident that providing services and products at appropriate prices will enable us to absorb costs associated with investments in human resources and at the same time to create new high-value-added services and products that lift our profit margins. I look forward in particular to lifting the operating profit margin in the security services segment.

» Revising subscription fees

Despite various steps to bolster operating efficiency and curtail outlays, enabling us to leave prices charged for our services unchanged, rising labor costs and prices for energy and raw materials continue to exacerbate our ability to absorb costs and maintain our security services configuration.

Recognizing that the situation had reached a point where absorbing elevated costs through such efforts is no longer viable, in August 2023 we implemented a flat 3% increase in subscription fees for home security systems, a move which the majority of customers graciously accepted. We also launched a Companywide initiative aimed at implementing an across-the-board 8% increase in subscription fees for commercial security systems beginning in November 2024. In June 2024, we inaugurated a project team that reports directly to me, to formulate an action plan for revising fees for commercial subscribers.

Our on-line security systems are provided by our security services employees, who anchor an around-the-clock service configuration and include emergency response personnel, who rush to the subscriber's premises in the event of an emergency and control center staff, who monitor subscribers' premises, appraise the situation should an irregularity be detected and issue instructions. While they may go largely unnoticed, these highly skilled, committed individuals are crucial to ensuring the safety and peace of mind of customers. Subscription fee revisions are aimed at passing on higher costs across the security services industry supply chain, including subcontractors. As Japan's largest security services company, we are taking the initiative in implementing subscription fee increases, an effort we believe will help optimize prices industry-wide, facilitating development and growth and creating a virtuous cycle that benefits all of society.

» Creating new high-value-added services and products

Given the astounding pace of technological progress, we will continue working to introduce new services and products that leverage innovative technologies, thereby enhancing the value we provide—and therefore also the prices we charge—customers. To extend services and products in an ever-changing society that respond to evolving market needs, we are advancing initiatives in accordance with a "collaboration" strategy, whereby we are promoting open innovation with partners who bring outstanding expertise and technologies. In particular, by adding new subscription-based options to existing on-line security systems, we will accelerate the provision of advanced, distinctively SECOM services that include the dispatch of emergency personnel to the subscriber's site when needed.

The percentage of homes in Japan that have installed on-line home security systems remains low at an estimated around 5%. Accordingly, in addition to expanding our appeal among traditional users, for which installation has reached a

somewhat constant level, we will explore the introduction of services that address expanding market needs. By introducing services that incorporate novel concepts, we will continue promoting offerings that attract a greater number of customers in the huge home security services market.

For commercial subscribers, we will continue to emphasize providing services that support customers' operations by integrating our System Security AZ series' services with open cloud services. We will also emphasize the incorporation of state-of-the-art technologies not only into our on-line security systems but also into our merchandise offerings. In June 2024, we began offering the SECOM AI Behavior Detection System, which combines the advanced AI behavior recognition technologies of a partner with the experience and know-how we have cultivated over many years, reducing the burden on supervisors using surveillance cameras to monitor facilities and improving the quality of monitoring.

» Reinforcing corporate governance

Scrupulous corporate governance is vital to earning the trust of society and bringing our abilities into full play. We also recognize the importance of understanding the thinking of our shareholders, including institutional investors, and approaching the task of managing SECOM from a perspective close to theirs.

To enhance corporate value over the medium to long term, we increased the number of outside directors on our Board of Directors from three to five and the number of female directors from one to two at the Ordinary General Meeting of Shareholders held in June 2024. Prior to this, in June 2023, an outside director, rather than an inside director,

has been appointed chairperson of the Nomination and Compensation Committee, a move that bolstered the transparency of the committee's activities.

Additionally, from the fiscal year ending March 31, 2025, the relative proportion of fixed monthly salary, bonuses, and share-based remuneration paid to directors (excluding outside directors) has been revised from approximately 80:15:5 to 65:15:20 with the aim of facilitating management

» Innovating to keep abreast of change and enhance corporate value

SECOM, a pioneer in Japan's security services industry, has done its utmost to grow sustainably together with society. Focusing on the provision of security services, we have continued to embrace the challenge of keeping abreast of change with the aim of realizing our Social System Industry vision, in line with a philosophy that emphasizes benefit to society as the criterion for judging the value of what we do. By leveraging our robust operating foundation, buttressed by our extensive business infrastructure, powerful brand and recurring revenue-based business model, as well as our comprehensive Group strengths, we will continue to implement the initiatives set forth in the SECOM Group Road Map 2027 with the aim of creating and nurturing new businesses, as well as expanding existing businesses.

Our philosophy regarding the allocation of cash is that the best way to increase corporate value is to make productive investments in growth. We earmark cash on hand generated through stable operating activities to investments in growth, working capital and returns to shareholders. Investments in growth include investments in human resources, our top priority, as well as in key businesses, notably the security services business, now in a period of transformation, and BPO and ICT services, which are expected to see high growth in the coming years, and in the improvement and expansion of internal systems to strengthen productivity. We maintain a high credit rating, evidence of the agility of our capital strategies.

We also continue striving to optimize our business portfolio. While comprehensive consideration of our operating environment, financial market trends and parties involved in any potential transaction takes time, we recognize this as a critical management task.

The SECOM Group Road Map 2027 sets a target for consolidated operating profit in the fiscal year ending March 31, 2028, of between ¥160.0 billion and ¥180.0 billion, to be attained through higher gains attributable to organic growth facilitated by the optimization of our business portfolio, as well as through returns on investments in growth. We are

also aiming for a return on equity (ROE) of 10%, which we will achieve through effective control of capital, which will include conducting share buybacks in a timely manner. (These targets are based on Japanese GAAP.)

Looking ahead, we will explore various ways to use treasury stock, which has expanded as a result of these moves.

» Innovating to keep abreast of change and enhance corporate value

also aiming for a return on equity (ROE) of 10%, which we will achieve through effective control of capital, which will include conducting share buybacks in a timely manner. (These targets are based on Japanese GAAP.)

To enhance returns to shareholders, we will prioritize the steady and continuous distribution of growing consolidated income in the form of dividends based on a specific dividend payout ratio target. The appropriate timing of share buybacks will be determined with careful heed paid to such factors as our cash position, the scale and timing of investments in growth, and share price trends. Dividends for the full term—the record dates for which fell in the fiscal year ended March 31, 2024—totaled ¥190.00 per share, an increase of ¥5.00 from the previous period. Between February 2022 and July 2024, we conducted share buybacks four times, for a total of approximately ¥115.0 billion.

Looking ahead, we will explore various ways to use treasury stock, which has expanded as a result of these moves. As ever committed to fulfilling our mission, unchanged since our founding, of realizing a society free from concerns, we will continue working to build greater corporate value. Cognizant that I have taken the helm at a time of tremendous upheaval in our operating environment, I pledge to maintain a forward-looking attitude and to advance bold measures whatever the future may bring to respond to the expectations of stakeholders by delivering enduring peace of mind and innovating to keep abreast of change. I look forward to the ongoing support and guidance of all stakeholders.

August 30, 2024

Yasuyuki Yoshida

President and Representative Director

Delivering enduring peace of mind in an ever-changing society

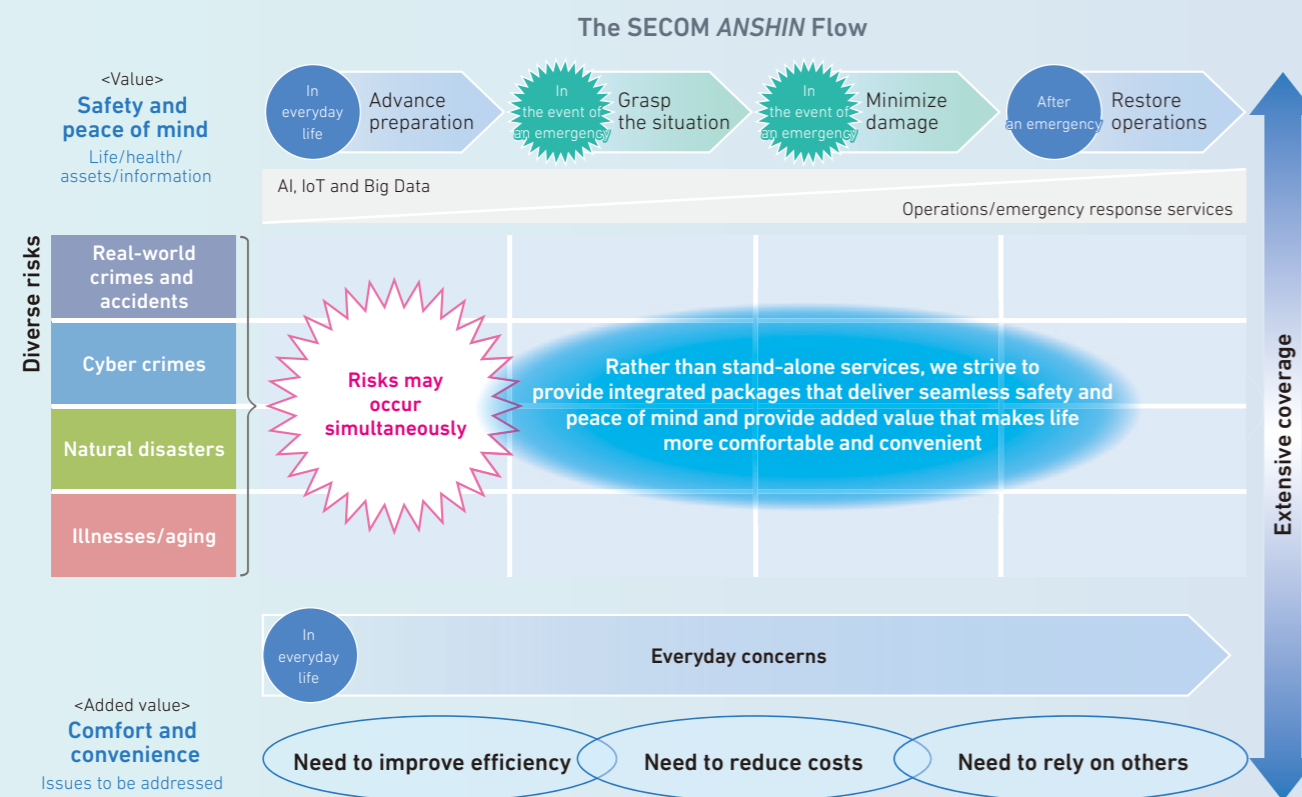
Creating the ANSHIN Platform: Providing tailored services that deliver seamless peace of mind

Given the increasingly complex and intertwined natures of social imperatives, safety and peace of mind have taken on increasing urgency, and related individual needs are becoming more diverse. In 2017, we formulated the SECOM Group's Vision for 2030. Guided by this vision, we are working to create the ANSHIN Platform, a service infrastructure through which we strive to provide tailored services that deliver seamless peace of mind to anyone and everyone, whenever and wherever necessary. Anchored in the relationship of trust we have cultivated with society, the ANSHIN Platform seeks to help achieve a society free from concerns by expanding our products and services through collaboration with partners in industry, government and

academia who share our mission and who bring together a broad range of technologies and expertise.

Society faces significant risks associated with crimes, accidents, cyber crimes, natural disasters, illnesses and aging. While routine advance preparation is important, in the event of an incident it is crucial to accurately grasp the situation and minimize damage, as well as to ensure the swift restoration of operations after the incident is resolved. In line with this four-pronged concept, which we call the SECOM ANSHIN Flow, we continue to expand and enhance our services and systems that address potential risks, thereby ensuring seamless peace of mind.

The ANSHIN Platform Service Infrastructure

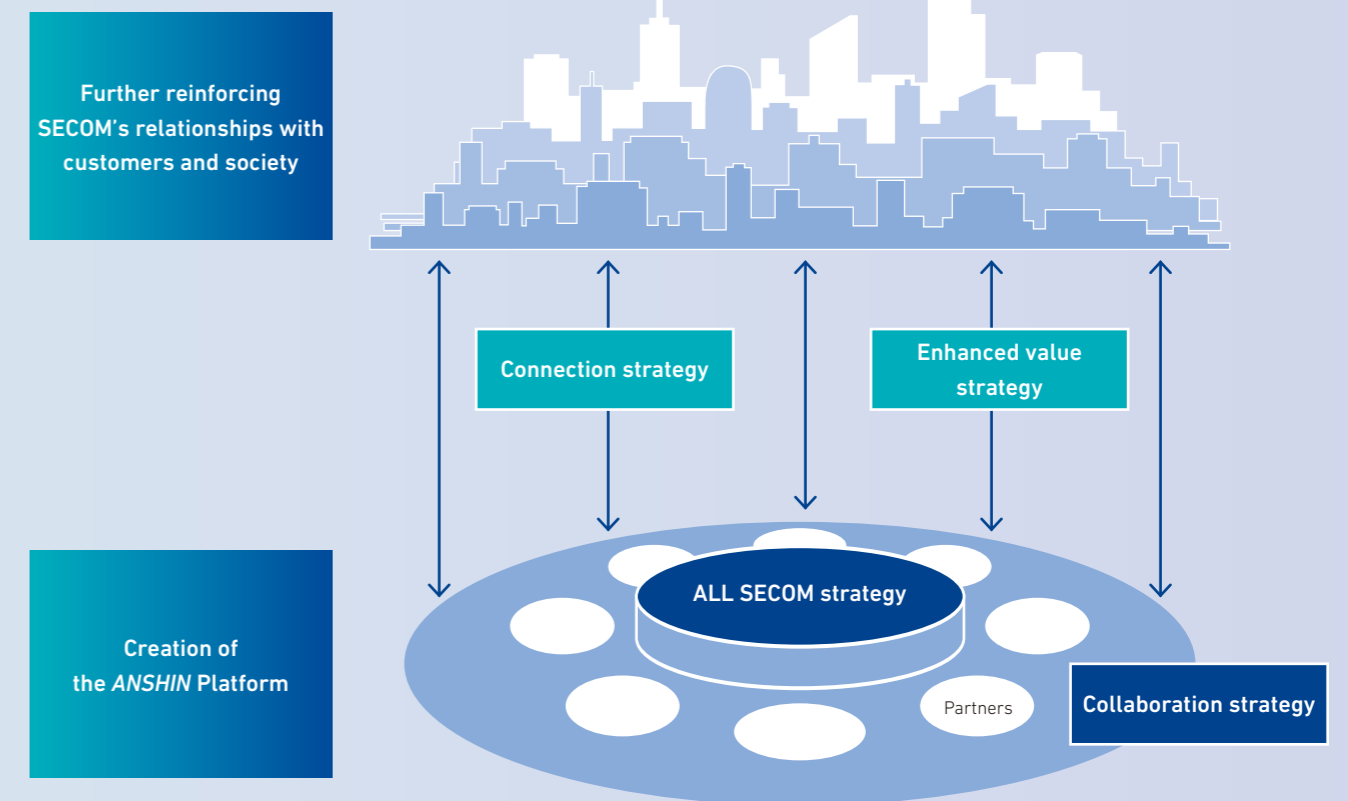


Strategies for creating the ANSHIN Platform

To create the ANSHIN Platform, we are currently promoting initiatives in line with four strategies. The "ALL SECOM" strategy, which focuses on rallying SECOM Group strengths to maximize synergies. Through our "Collaboration" strategy, we are promoting open innovation with the aim of creating new value. Our "Connection" strategy emphasizes leveraging Big Data analysis, which makes use of advanced information technologies, to respond to latent needs and strengthen our relationships with customers. Our "Enhanced value" strategy

revolves around adding greater value to services that make life more comfortable and convenient.

To address increasing needs for peace of mind in overseas markets, we will capitalize on know-how cultivated in Japan to develop services tailored to local needs. Through such efforts, we will promote recognition of the SECOM brand and seek to establish ANSHIN as a universally recognized term.



A Roadmap for the fiscal year ending March 31, 2028

In May 2023, we formulated the SECOM Group Road Map 2027 aimed at ensuring the realization of the SECOM Group's Vision for 2030, to share our direction over the subsequent five years with our stakeholders.

Together with extraordinary socioenvironmental changes, recent years have brought remarkable technological advances. At the same time, in Japan a declining labor force, the aging of society and worsening perceptions of public safety have taken on greater urgency, while issues such as increasingly frequent and severe

natural disasters, together with advancing global inflation, are becoming commonplace.

We are committed to accurately identifying needs arising from these circumstances, and will continue to promote open innovation, collaborating with a broad range of partners to offer innovative services that deliver safety and peace of mind to customers whatever the situation. At the same time, we will work to address social imperatives, positioning us to achieve sustainable growth together with society.

SECOM Group Road Map 2027: Five core strategies

We will capitalize on our advanced technologies and extensive know-how to further promote five core strategies aimed at ensuring our ability to deliver safety and peace of mind in all situations.

Road Map 2027—Capitalize on advanced technologies and extensive know-how to deliver safety and peace of mind in all situations

Core strategies	Key initiatives
Expand monitoring and security services	<p>Provide innovative security-focused services and solutions</p> <ul style="list-style-type: none"> Realize seamless protection by linking diverse information in the <i>Mimamori</i> ("Monitoring") Cloud Create a business infrastructure that combines robust security and an open cloud
Strengthen overseas operations	<p>Realize further growth in promising overseas markets</p> <ul style="list-style-type: none"> Add depth to existing security services and medical services businesses Cultivate new business portfolios in new overseas markets and new business areas
Reinforce BPO and ICT services	<p>Create an infrastructure that supports customers' operations</p> <ul style="list-style-type: none"> Enhance service infrastructure by establishing new data centers and expanding network Expand solutions to assist customers in ensuring smooth operations and provide effective BPO services
Improve productivity	<p>Enhance productivity by maximizing service value and improving operational efficiency</p> <ul style="list-style-type: none"> Implement initiatives that facilitate the provision of a steady stream of new services and maximize service value Leverage the latest technologies to help employees reach their full potential and improve operational efficiency
Reward stakeholders	<p>Ensure SECOM remains the company of choice for all stakeholders</p> <ul style="list-style-type: none"> Securing and fostering human resources by improving working environment including measures designed to bolster employee engagement Press ahead with sustainability initiatives to earn the trust of all stakeholders

Progress in line with the SECOM Group Road Map 2027

Expand monitoring and security services

Develop more advanced monitoring services

We will leverage AI, 5G, cloud and other technologies to provide new services and solutions, particularly in the area of security. For residential subscribers, we will combine home security and the *Mimamori* Cloud to facilitate the seamless monitoring of users, as well as develop services for their families and nursing care providers, thereby providing peace of mind in all aspects of daily life.

Key initiatives to date

- Began providing the cloud-based SECOM Monitoring Service for Seniors, which uses a dedicated smartphone app (June 2021) → See page 33
- Introduced *anone*, a communication and conversation service for seniors that uses a robot (April 2023) → See page 33
- Released YORISOS, an app for Apple Watch that assists with everyday health management and can also be linked to the Apple Watch's fall detection feature (April 2023) → See page 33
- Launched the SECOM Senior Care Phone Service 2, designed for seniors who may be unaccustomed to operating mobile communications devices (February 2024) → See page 34

Integrate robust security with open cloud services

For commercial subscribers, we will expand linkable open cloud services to create a service infrastructure centered on System Security AZ that supports subscribers' business activities.

Key initiatives to date

- Launched AZ-Access, an access control system tailored to the needs of subscribers with large-scale facilities (May 2023) → See page 32
- Released dot-i, a web-based service for retail facility management that uses camera images to improve operational efficiency (July 2023) → See page 32
- Introduced Interactive Security Service, an image-based surveillance service that combines System Security AZ and AZ-Air (July 2024) → See page 32
- Established SECOM AZ Certified, a standard for the integration of AZ series' systems and robots (June 2024) → See page 32

Create SaaS models for the provision of merchandise

We will transform the provision of merchandise for on-line security systems into a sophisticated yet simple and safe service-based business suited to the cloud era.

Key initiatives to date

- Launched the SECOM Cloud-Based Access Control remote access control service (December 2023) → See page 32

Promote DX in the security services market

We will promote DX with the objective of extending SECOM systems and know-how to partners who share our philosophy, driving improvements in the quality of safety and peace of mind for communities and society as a whole.

Key initiatives to date

- Completed development of the SECOM Drone XX, a security drone that employs AI-based image analytics (October 2023) → See page 33
- Subsidiary Senon commenced ongoing demonstration tests with the aim of building a facility security system that makes use of state-of-the-art SECOM technologies and DX (May 2024–March 2025)

Strengthen overseas operations

With the aim of realizing further growth in promising overseas markets, we will add depth to existing security services and medical services businesses while also cultivating business portfolios into new overseas markets and new business areas. In addition to advancing recognition of the SECOM brand worldwide, we will strive to boost revenue generated overseas to 10% of the consolidated total by strengthening operations through both organic growth and the active promotion of M&As.

Key initiatives to date

- Expanded provision of cloud-based interactive security system → See page 35
- Made investments in security services providers Eagle Eye Networks and Brivo, which extend cloud-based SaaS solutions primarily in North America (May 2023) → See page 35
- Released SECOM Smart Security Care, a monitoring service for seniors, in Thailand (March 2024) → See page 35
- Entered the Irish market (July 2024) → See page 35
- Resolved to establish a second general hospital in Bengaluru, India, that emphasizes the provision of advanced medical care (scheduled to open in 2027) → See page 39

Reinforce BPO and ICT services

In addition to enhancing our service infrastructure by establishing new data centers and expanding our network, we will enhance existing and develop new SaaS solutions that assist customers in ensuring smooth operations and provide effective BPO services that help improve operational efficiency. We will also build business infrastructures centered on information security technologies and around-the-clock services that provide digital support for customers' operations.

Key initiatives to date

- TMJ, Inc. launched the Next-Generation Contact Center Project (June 2023) → See page 43
- Acquired 1/3 of issued shares in ARTERIA Networks (October 2023) → See page 43
- At Tokyo Chuo Center #3 (CC3) began providing data center services (July 2024) → See page 43
- Secom Trust Systems announced plans to open a new data center facility (October 2025) → See page 43

Improve productivity

We aim to improve productivity by leveraging technologies to develop a steady stream of high-yield new services, thereby maximizing service value, and by helping employees reach their full potential and enhancing operational efficiency.

Key initiatives to date

- Optimized front-line work loads
- Revamped corporate structure and business processes
- Updated in-house IT system

Reward stakeholders

We will continue investing in efforts to secure and foster human resources that support the SECOM Group's provision of services, as well as work to create workplace environments conducive to greater diversity, enhanced well-being, and improved and expanded capabilities. We will now focus on accelerating the integration of management and sustainability strategies to ensure our ability to evolve as a company that consistently earns the trust of all stakeholders.

Key initiatives to date

- Improved employee compensation by implementing annual regular salary increases and three consecutive base salary increases, and by enhancing expense allowances
- Implemented a restricted stock compensation plan (March 2024)
- Expanded range of jobs available to female employees and fostered female leaders
- Increased the provision of internal and external training and educational opportunities
- Began using a virtual PPAs for electricity generated using renewable energy (March 2024) → See page 63

Financial strategies and quantitative targets

We have set three financial strategies: Enhance shareholder returns while maintaining a sound financial position, to achieve our dividend payout ratio target of 45%; invest in growth while remaining aware of the cost of capital; and conduct share buybacks in a timely manner to achieve an ROE of 10%.

Guided by the SECOM Group's Vision for 2030, we will continue to make investments aimed at expanding earnings and improving productivity. We will also continue to share information on the initiatives outlined in this road map with investors, as well as to enhance opportunities for constructive dialog, as we work to achieve the quantitative targets we have set for the fiscal year ending March 31, 2028, and to bolster corporate value.

Targets for the Fiscal Year Ending March 31, 2028 (Japanese GAAP) (Reference)

	Results in the fiscal year ended March 31, 2024	Targets for the fiscal year ending March 31, 2028
Consolidated revenue	¥1,154.7 billion	At least ¥1,250.0 billion
Consolidated operating profit	¥140.7 billion	¥160.0–¥180.0 billion
Dividend payout ratio	39.4%	Around 45%
ROE	8.5%	10%

We continue to leverage three key strengths—a powerful brand, a recurring revenue-based business model, and Group strengths—to deliver safety and peace of mind to both individual and corporate customers, as well as to ensure sustainable growth.

A powerful brand

- Domestic market-leading 2.5 million-plus contracts for on-line commercial and home security systems
- Robust local network and sales channels firmly rooted in the community and our reputation as a pioneer in the security services industry
- Ability to resolve customers' apprehensions underpinned by experience and know-how accumulated over our history—the industry's longest—and by the provision of services to a broad range of customers
- Brand name synonymous with safety and peace of mind nurtured through the extension of services that exceed customer expectations
- Continuous efforts to promote the improvement and evolution of systems by communicating the opinions and requests of customers to our R&D team
- Open innovation in collaboration with partners who share our mission and are attracted by our strong brand and domestic market-leading customer base
- Recognition as an industry leader, helping attract talented human resources

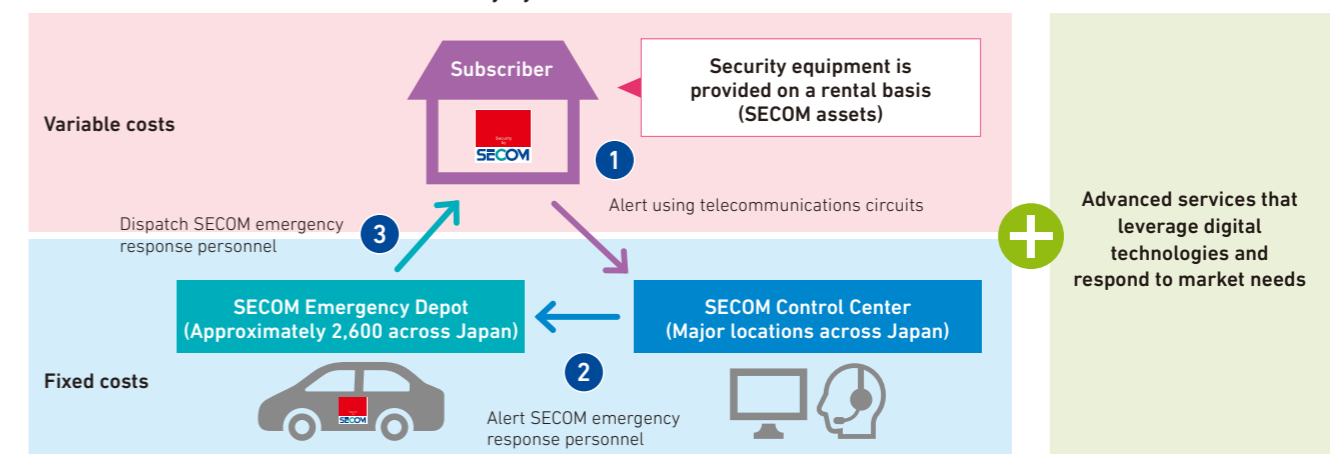
A recurring revenue-based business model

- Businesses that are primarily recurring revenue based, including on-line security systems, and boast a stable earnings base whereby expanded contract volume leads to increased income
- Business model that works well with economies of scale, particularly in on-line security systems, which boast a high marginal profit
- Commitment to ensuring long-term relationships with customers by developing and providing services and products that surpass their expectations and respond to latent needs
- Stable generation of cash thanks to recurring revenue-based businesses, facilitating continuous investments to improve quality and functionality, accommodate new contracts and drive future growth

Group strengths

- Efforts to boost per-customer income by addressing concerns through a business portfolio encompassing security services, fire protection services, medical services, insurance services, geospatial information services, BPO and ICT services, and other services
- Determination to strengthen relations with customers and extend contract periods by encouraging use of multiple Group services
- Focus on fortifying cooperation within the Group, yielding distinctively SECOM services and cross-selling opportunities, thereby streamlining sales activities
- Steady investment in M&As with the aim of further reinforcing Group strengths

Variable and Fixed Costs for On-Line Security Systems



An Evolving Recurring Revenue-Based Business Model

Advanced services that leverage digital technologies and respond to market needs

Basic philosophy

Since our establishment, we have pursued a basic policy of striving to contribute to society through our business activities, acknowledging the importance of achieving sustainability both for ourselves and for society.

We continue to promote a variety of initiatives aimed at realizing sustainability guided by the SECOM Group Basic Sustainability Policy, which was formulated following deliberations by the Board of Directors.

Framework for promotion

We have established the Sustainability Promotion Office, under the jurisdiction of the executive officer in charge of sustainability, with the objective of integrating sustainability efforts into business strategies. The Sustainability Promotion Office is charged with formulating sustainability initiatives, disseminating information across the SECOM Group, working to achieve medium- to long-term greenhouse gas reduction targets, addressing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and providing information to stakeholders. The status of sustainability initiatives is reported to the President and Representative Director and to the Board of Directors as appropriate.

The Sustainability Promotion Office also stages the SECOM Group Sustainability Meeting, which is attended by representatives of key Group companies. Participants exchange information and hold discussions to advance initiatives related to domestic and global social imperatives, the SDGs, and our response to TCFD recommendations, among others.

Support for the UNGC

In May 2018, we became a signatory to the United Nations Global Compact (UNGC) and pledged our support for the Ten Principles of the UNGC, which are classified into four categories: "Human rights," "Labour," "Environment" and "Anti-corruption."



Material sustainability issues, and KGIs and KPIs

SECOM's Philosophy calls for offering services that are beneficial for society as a whole. "The Constitutions of the SECOM Group in Business and Management" sets forth our commitment to provide services and systems that deliver peace of mind and contribute to the betterment of society. In keeping with this fundamental commitment, we continue striving to offer forward-looking services that anticipate what is needed to ensure sustainable growth for society and tirelessly pursuing service innovation.

With the aim of ensuring we remain an organization that is useful and indispensable to society, we have identified six material sustainability issues, that is, issues of primary importance to sustainable growth, based on a self-assessment conducted in accordance with ISO 26000, the International Organization for Standardization's benchmark for social responsibility, and the Global Reporting Initiative (GRI)'s GRI Standards (global standards for sustainability reporting), and with consideration given to feedback from stakeholders. We have formulated key goal indicators (KGIs) and key performance indicators (KPIs) for each of these material issues to encourage deeper understanding and promote their incorporation into individual business strategies Groupwide.

Earning selection for inclusion in ESG investment indices

Our efforts to address ESG-related issues and disclose related information continue to earn high marks from third-party assessment organizations around the world. Of note, we have been selected as a constituent of a number of key global ESG investment indices. These include all six indices for Japanese equities used by Japan's Government Pension Investment Fund (GPIF).*

*The six indexes used by the GPIF are the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, the MSCI Nihonkabu ESG Select Leaders Index, the MSCI Japan Empowering Women Index (WIN), the S&P/JPX Carbon Efficient Index and the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J).



2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

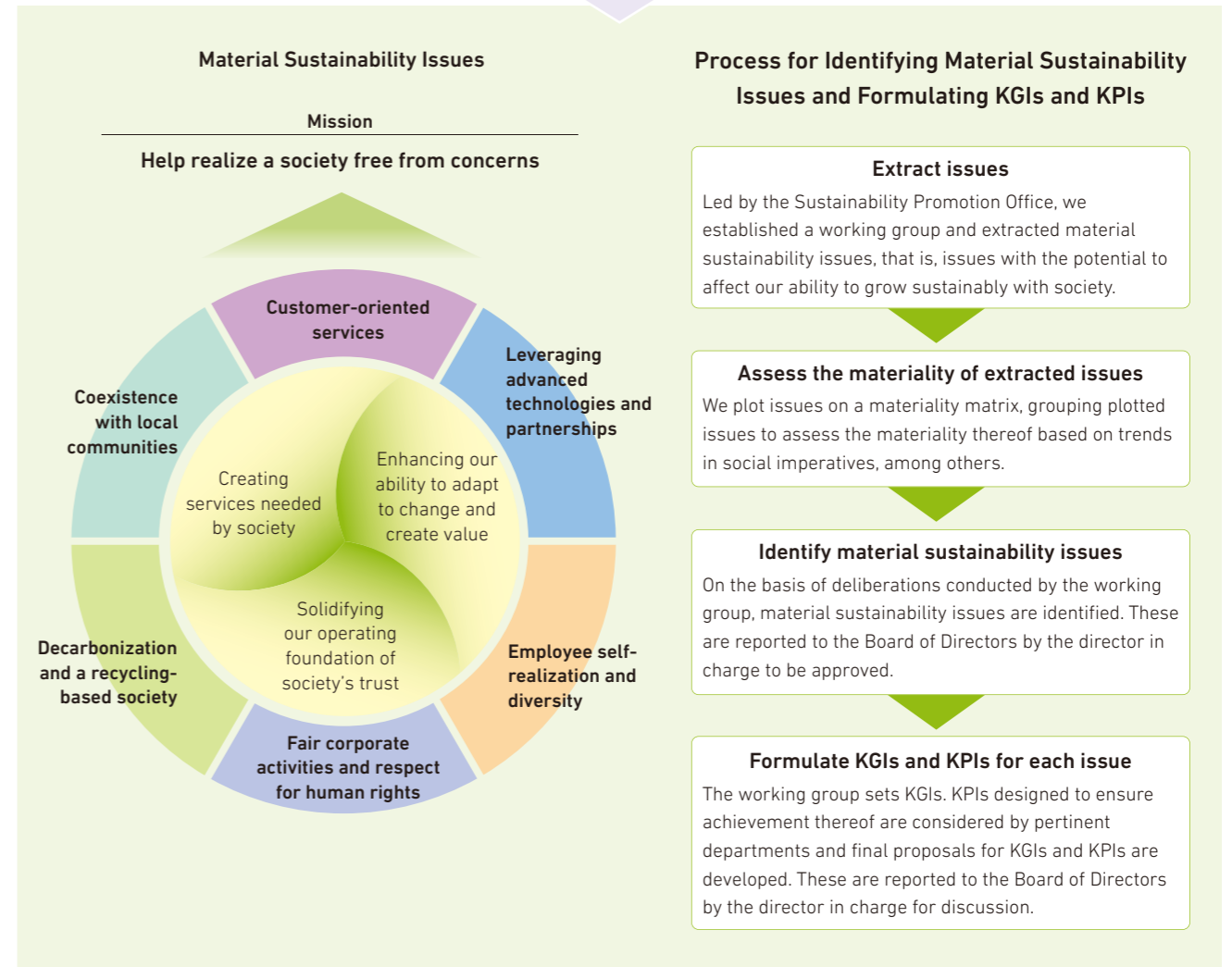
2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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The SECOM Group Basic Sustainability Policy

1. Provide enduring peace of mind now and in the future	2. Together with business partners	3. Earn the trust of society	4. Our key players are our employees
We continue to provide innovative services and systems that address potential risks, thereby ensuring seamless, enduring peace of mind now and in the future.	We promote environmental conservation initiatives across the entire supply chain with the aim of helping realize decarbonization and a recycling-oriented society. We also respect human rights, recognizing the inherent dignity of all people.	We strive to ensure legal compliance and manage our operations in line with a stringent code of conduct, and to maintain sound relationships with all stakeholders by conducting our corporate activities in a manner that is transparent, just, and fair.	Responsibility for sustainability lies with each individual SECOM Group employee. In addition to recognizing the importance of job satisfaction and pride in one's work, we continue to provide training and encourage awareness to ensure the achievement of our goals.

(As of December 1, 2021)



KGIs and KPIs for Material Sustainability Issues

The Sustainability Working Group held repeated discussions on their ideal image of SECOM from a long-term perspective and established KGIs for the six material sustainability issues. More in-depth discussions were held with the goal of clarifying what actions will be necessary to achieve these KGIs, which were then narrowed down into KPIs for each individual issue. We regularly evaluate progress toward the achievement of KPIs and disclose our findings while encouraging improvements.

Scope of targets: SECOM CO., LTD. and its consolidated subsidiaries ("Achieve carbon neutrality by 2045"), SECOM CO., LTD. (all other KGIs)

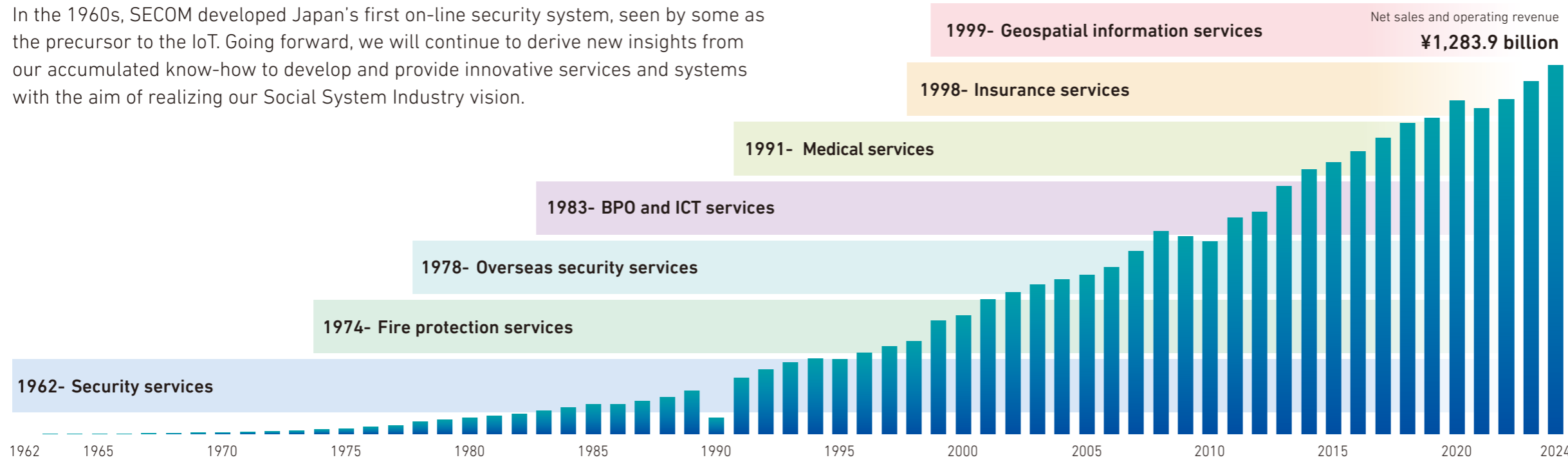
- *1 Crime prevention rate: Indicator SECOM uses to measure progress toward achieving zero intrusions or thefts for subscribers
- *2 Response rate: Percentage of calls answered, excluding calls disconnected by the customer within five seconds
- *3 Cumulative total from 2021 through 2030
- *4 Limited to security equipment developed by SECOM
- *5 Electric vehicles: Hybrid vehicles (HVs), plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs) and fuel-cell vehicles (FCVs)

Material sustainability issues	KGIs	KPIs	Targets and target years	Results in the fiscal year ended March 31, 2023
1 Customer-oriented services 	Aim for zero loss of life or property	Crime prevention rate* ¹ for intrusions and thefts	100% (2030)	Undisclosed
	Aim for zero customer concerns	Response rate* ² to telephone calls from customers	96% (2026)	91.3%
2 Leveraging advanced technologies and partnerships 	Continue to create "Japan-first" services that deliver safety and peace of mind	"Peace of mind" score in surveys of SECOM Home Security subscribers	100% (2030)	96.3%
		News reports on research achievements that contribute to peace of mind for society	30/year (2030)	10
		Development/announcement of new systems and services that are firsts in Japan* ³	Cumulative total: 10 (2030)	1 (Cumulative total: 2)
		Number of verification tests conducted together with other companies, local governments, educational institutions and others* ³	Cumulative total: 100 (10/year) (2030)	4 (Cumulative total: 12)
3 Employee self-realization and diversity 	Realize job satisfaction for employees and create employee-friendly workplaces	Training hours/person	50 hours/year (2030)	28.4 hours
	Achieve active participation for human resources by capitalizing on diversity	Paid leave usage rate	80% (2030)	72.9%
		Female managers as a percentage of total management team	30% (2030)	11.1%
		Gender pay gap	85% (2030)	72.9%
		Percentage of male employees taking childcare leave	50% (2025)	25.2%
4 Fair corporate activities and respect for human rights 	Earn recognition in society as a company that protects human rights	Percentage of employees completing human rights and harassment prevention e-learning programs	100% (Annual)	97.7%
	Create an open organization in which employees can act autonomously	Contributions to lifesaving, fraud prevention and other initiatives (Commendations received from the president or a division head)	Annual	347
5 Decarbonization and a recycling-based society 	Achieve carbon neutrality by 2045	Decrease in greenhouse gas emissions from the fiscal year ended March 31, 2019	45% (2030)	11.1%
		Renewable energy as a percentage of total energy used	100% (2045)	13.4%
		EVs* ⁵ (excluding special vehicles) as a percentage of total business vehicles	100% (2030)	34.8%
	Realize a circular economy	BEVs and FCVs (including motorcycles) as a percentage of total business vehicles	100% (2045)	32
		Virgin plastics derived from fossil resources as a percentage of total materials used in containers and packaging* ⁴	0% (2030)	75.8%
		Plastics derived from fossil resources as a percentage of total materials used in containers and packaging* ⁴	0% (2045)	75.8%
6 Coexistence with local communities 	Earn society's trust as a company that contributes to the safety of local communities	Participants in child safety workshops (DVD teaching materials)	100,000/year (2027)	22,515
		Annual visits to SECOM's safety awareness websites	5,000,000 page visits (2027)	2,850,000 page visits
		Partnerships with local enterprises (business collaboration, joint participation, cooperation)	10/year (Annual)	14
		Participants in AED training sessions	40,000/year (2030)	27,030

Note: For information on progress toward the achievement of KPIs, please see the sustainability section of the SECOM website. <https://www.secom.co.jp/english/sustainability/>

The Path to Value Creation

In the 1960s, SECOM developed Japan's first on-line security system, seen by some as the precursor to the IoT. Going forward, we will continue to derive new insights from our accumulated know-how to develop and provide innovative services and systems with the aim of realizing our Social System Industry vision.



Security service industry → Safety ("ANZEN") industry → Social System Industry

- 1962**
 - Established as Nihon Keibi Hoshō Co., Ltd. Japan's first commercial security services provider (name was later changed to SECOM CO., LTD.)
- 1964**
 - Provides security services at the Olympic Village during the first Tokyo Olympics
- 1966**
 - Develops SP Alarm, Japan's first on-line security system
- 1974**
 - Lists on the Second Section of the Tokyo Stock Exchange
 - Forms business alliance with Nohmi Bosai Kogyo Co., Ltd. (currently Nohmi Bosai Ltd.), Japan's top provider of fire protection services
- 1975**
 - Commences operation of the world's first computerized security system (CSS)
- 1978**
 - Establishes joint venture Taiwan Secom Co., Ltd., in Taiwan, its first overseas market
 - Moves up to the First Section of the Tokyo Stock Exchange
- 1981**
 - Introduces My Alarm (currently SECOM Home Security), Japan's first home security system
 - Establishes joint venture Korea Security System Co., Ltd. (currently S1 Corporation) in the Republic of Korea (ROK)
- 1983**
 - Begins providing information and communications-related services
 - Changes name from Nihon Keibi Hoshō Co., Ltd. to SECOM CO., LTD.

- 1985**
 - Launches information security services
- 1988**
 - Establishes presence in Thailand
- 1989**
 - Declares 1989 the first year of the Social System Industry vision
- 1991**
 - Establishes presence in the United Kingdom and Malaysia
 - Begins providing visiting nurse services
- 1992**
 - Establishes presence in the PRC, Singapore and Australia
- 1994**
 - Establishes presence in Indonesia
 - Begins offering Japan's first remote image diagnosis support service
- 1996**
 - Commences management of residences for seniors
- 1998**
 - Invests in Toyo Fire and Marine Insurance Co., Ltd. (currently Secom General Insurance Co., Ltd.)
 - Launches certification authority business
- 1999**
 - Invests in Pasco Corporation, a leading provider of aerial surveying services
- 2000**
 - Establishes the Secure Data Center
- 2001**
 - Develops and releases the COCO-SECOM mobile security system
 - Launches MEDCOM, Japan's first unrestricted cancer treatment policy

- 2004**
 - Introduces the SECOM AED Package Service
 - Launches the SECOM Safety Confirmation Service
- 2006**
 - Establishes presence in Vietnam
 - Acquires newly issued shares in Nohmi Bosai, which becomes a consolidated subsidiary
- 2007**
 - Launches ground surveying services using synthetic aperture radar (SAR) satellite images
- 2011**
 - Establishes presence in New Zealand
- 2012**
 - Acquires all outstanding shares in Nittan Co., Ltd., one of Japan's leading fire protection services providers, making the company a consolidated subsidiary
 - Acquires At Tokyo Corporation, one of Japan's leading data center services firm
- 2014**
 - Opens Sakra World Hospital, a general hospital, in India
- 2015**
 - Acquires Asahi Security Co., Ltd., a leading provider of cash collection and delivery services, which becomes a consolidated subsidiary
- 2017**
 - Acquires BPO services firm TMJ, Inc.
- 2019**
 - Establishes presence in Turkey
- 2022**
 - Shifted to the Prime Market, owing to a restructuring of the Tokyo Stock Exchange's market segments
 - Acquires Senon Ltd., a provider of comprehensive security services
- 2023**
 - Acquires ARTERIA Networks Corporation
- 2024**
 - Establishes presence in Ireland

Note: The bar graph shows net sales and operating revenue for each fiscal year at the time of announcement. Figures have not been restated. Data for periods up to and including the fiscal year ended November 30, 1977, is nonconsolidated revenue for SECOM CO., LTD., calculated using Japanese GAAP, while from the fiscal year ended November 30, 1978 through the fiscal year ended March 31, 2004, the Company reported "revenue and other income." Owing to a change in the Company's settlement date, the fiscal period ended March 31, 1990, was a transitional four-month period.

Core competitive advantages

A powerful brand

- ✓ The largest customer base in Japan's security services industry
- ✓ Know-how and experience
- ✓ Name recognition and customer trust
- ✓ Ability to create business opportunities
- ✓ Top-class talent

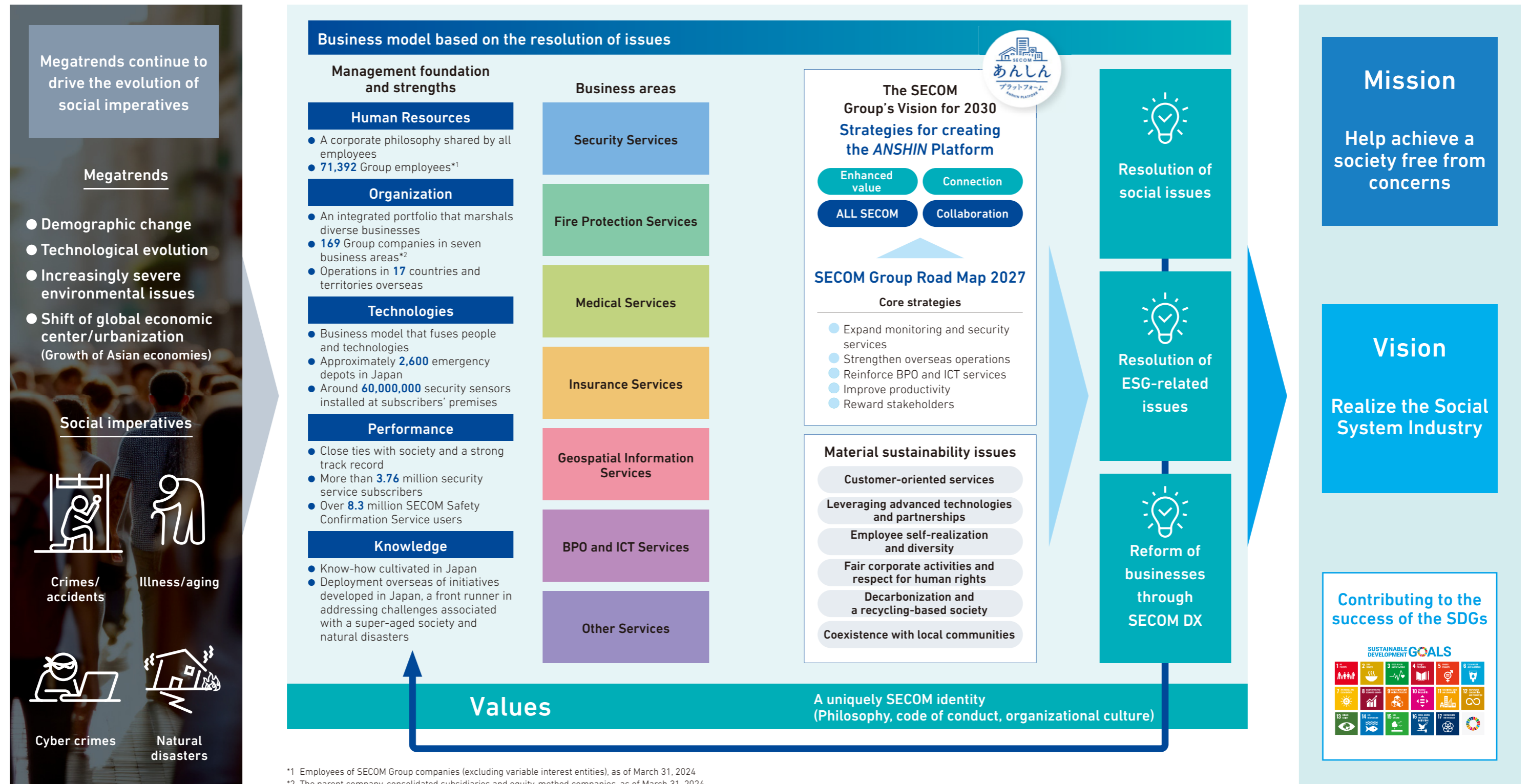
A recurring revenue-based business model

- ✓ Stable, expanding earnings
- ✓ High marginal rate of return
- ✓ Resources to facilitate active investment in growth

Group strengths

- ✓ Ability to leverage comprehensive strengths of diverse businesses to resolve issues
- ✓ Multiple per-customer contracts and a high rate of contract renewal
- ✓ Efficient sales activities that capitalize on collaboration across the Group

In addition to promoting business reforms through SECOM DX, we remain committed to maximizing corporate value by reinforcing our relationship with society and addressing increasingly diverse social imperatives and ESG-related issues.



*1 Employees of SECOM Group companies (excluding variable interest entities), as of March 31, 2024
 *2 The parent company, consolidated subsidiaries and equity-method companies, as of March 31, 2024

SPECIAL FEATURE Human Resources: Supporting the Quality of SECOM Services

To reinforce our human resources, which are essential to the quality of SECOM services, we focus on recruiting and fostering human resources with a strong desire to contribute to society and on creating work environments conducive to job satisfaction. Our emergency response personnel (also known as “beat engineers”) and control center staff, who are responsible for ensuring the effective functioning of our on-line security systems around the clock, as well as our static guards and the armored car services personnel, who work continuously to enhance their capabilities while at the same time engaging in friendly rivalry.



01 On the front lines

I sincerely relish the challenges I face and look forward to growing as a beat engineer that others look at and say, “you can count on him!”



Ryota Kikuchi
Senior Beat Engineer

I joined SECOM in 2018. That year brought a major typhoon to Japan that caused a large-scale power outage. All of my colleagues gathered at the branch offices they work at to check on the status of customers and provide on-site support. It was a lot of really hard work, but it was also exactly what I had signed up for—a job that helps support society. I felt very proud to work for SECOM. At the same time, there were many jobs I could not perform on my own because I lacked the necessary expertise. With a heightened awareness of my own inexperience and a renewed resolve to improve my skills, I became more proactive in taking on new challenges, seeing this as a way to grow in this job. When Japan once again faced disaster in 2022 in the form of frequent torrential rainstorms, the number and variety of jobs I could handle by myself had increased significantly. I was so pleased when customers thanked me for helping them. The same year, I achieved Grade 4, the highest certification accorded beat engineers in SECOM’s Grade Education system. (For more information, please see page 26). The more I learn about the job of a beat engineer, the more in-depth the knowledge I gain, the greater the potential I see for professional growth. I will continue to work diligently and without compromise to further polish my skills.

03 On the front lines

I want to leverage the power of studying to drive growth for myself as a professional and for SECOM as a whole.

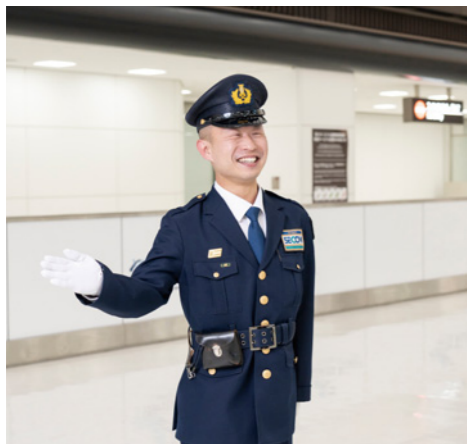


Hayato Shimoda
Armored Car Guard Supervisor

Four years after joining SECOM, I was able to join the armored car services team, which was something I had felt drawn to since my student days. Before that, I was a static guard, so initially the job of transporting cash, securities and other valuables to specified destinations safely, reliably and swiftly, was a bit disorienting. Just when I thought I had become used to the job, a new member joined the team and I was dismayed and embarrassed to discover that I couldn’t give confident answers to his questions. It was at this point that I remembered the words of my previous boss, who had counseled me to make up for my lack of front-line experience by studying. I began by once again thoroughly drumming the content of pertinent operating manuals into my head and applying it to my work. This helped me gain confidence. These manuals really are a treasure trove of information compiled in a systematic manner by my predecessors. In 2023, I was appointed to the position of top support leader (TSL), a title accorded employees who are seen as leaders who will transform SECOM. (For more information, please see page 26). Encouraged by my superiors, who I admire and respect, I decided to take on a number of new challenges, including earning Grade 4 certification in SECOM’s Grade Education system. Many aspects of SECOM depend on the skills of people. I look forward to helping foster junior staff and in so doing helping to further raise the level of the services we provide.

02 On the front lines

My goal is to be someone who can be relied on and who never forgets the importance of focusing on the needs of passengers, airport staff and my colleagues.



Atsuhito Kamata
Static Guard

As a static guard at an airport, I see myself as a visible representation of the invisible concept of safety and peace of mind. My duties center on patrolling, controlling access to, standing guard at and giving directions to passengers in terminal buildings. When I first started working here, I was confused and overwhelmed by the detailed nature of my responsibilities as described in the manual and by the sheer number of people at the airport at any given time. However, I tried to look objectively at what my job as a member of the static guard team involves and came to the realization that my role is actually to help ensure airport users feel secure. Being assigned to an airport, I work with people from a variety of companies. At the suggestion of someone from another company who I work alongside, I appeared in an airport information brochure talking about how I try to interact with airport users, which helped further bolster my motivation. Looking ahead, I will continue to appreciate and value the fact that my work allows me to interact directly with people. I will also continue to patiently and meticulously explain the duties of airport static guards to newly assigned team members and hope that I am always seen as a reliable colleague and effective team leader.

04 On the front lines

My position enables me to make use of my skills as an EMT to help provide safety and peace of mind.



Tomohiro Nitta
Control Center Staff

Since I was a child, I dreamed of having a job that saves people’s lives. I majored in sports medicine in university and later was nationally certified as an emergency medical technician (EMT). At SECOM, control center staff are the first point of contact when we are alerted of an irregularity. Occasionally, these are emergency medical calls. If the person says they are having chest pains, for example, I can immediately ask what sort of pain they are experiencing and accurately ascertain what the problem likely is and how it should be dealt with. By conveying this information to SECOM emergency response personnel who rush to the scene, or to emergency services personnel if we determine that calling 119 (Japan’s dedicated fire department/emergency services number) is warranted, I can help ensure a smooth process. As Japan’s population ages, opportunities to use the particular skills I bring to this job are increasing steadily. Going forward, I hope to play a role in enhancing the operations of our control centers to encourage more people to take an interest in working as control center staff, as well as to cooperate with my colleagues across SECOM on an even deeper level, thereby creating a virtuous cycle that benefits everyone.

Initiatives to improve the skills of security services staff

Many of SECOM's services that deliver safety and peace of mind are provided by front-line staff. Accordingly, earning the trust of customers is essential. To ensure our ability to provide outstanding services, we have created a system in Japan for fostering human resources who are able to maintain a high level of motivation as safety professionals while further improving their operational and technical skills.



Assessment of external inspection (Systematic Behavior contest)



Participants in TSL training learn about becoming leaders

Grade Education system

The Grade Education system was developed to impart the practical know-how and rigorous operational skills that help security services staff become safety professionals. This system has four grades, with participants striving through their everyday work and group training to acquire the expertise and competence to ultimately earn Grade 4 certification.

Systematic Behavior contests

Building on extensive know-how amassed over many years, we have established Systematic Behavior, a proprietary set of defined procedures that seek to ensure employees can protect their own safety, as well as that of customers. These include procedures ranging from basic actions to techniques for operating equipment, confirming a premises' security and speaking with customers—that both help customers feel secure and deter crime.

Security services staff work to improve their capabilities by performing their everyday tasks in accordance with these defined procedures. Annual Systematic Behavior contests are held to recognize the employee who has achieved the highest level of excellence, which further bolsters employee motivation and contributes to further service improvements.

TSLs

TSLs are leaders who take the initiative to facilitate transformative change in the organization while simultaneously supporting senior management. Our goal in selecting TSLs is to drive improvements in conditions on the front lines and foster a transparent corporate culture.

A TSL is selected from among employees having earned high grades in the Grade Education system in each of four areas, that is, emergency response personnel, static guards, the armored car services team and control center staff. As a part of group training, TSLs learn about their particular roles, as well about ensuring an appropriate mindset, serving in a leadership position, and working together to improve themselves beyond the limits of their particular occupations. TSLs, who are also tasked with promoting initiatives in their particular areas and regions to instill a sense of pride and commitment to achieving perfection in service quality, serve for one year, but continue to support the efforts of junior colleagues even after their term as a TSL ends.

Growing together with customers at Azabudai Hills

Azabudai Hills, a new Tokyo landmark that opened in November 2023, brings together a range of amenities essential to urban life, including offices, residential spaces, shops and restaurants, a hotel and cultural facilities. When we were approached by developer Mori Building Co., Ltd., to participate in a competition to provide security combining static guards and security robots for this state-of-the-art complex, we jumped at the chance, submitting a proposal that drew on our accumulated experience, outstanding track record and extensive know-how. The integrated security configuration we recommended, combining static guards and our cocobo autonomous security robot, was chosen by Mori Building, which gave high marks to our high-grade services, systems for cooperation in the event of an emergency, and attention to ensuring the efficient deployment of security guards through effective coordination among the complex's different areas. Four individuals who played key roles in this project look back on how we went from developing the proposal to securing this major order.



Comments



Toshihiko Ono
Sales

For Mori Building, Azabudai Hills is a huge project that will impact its future. As the salesperson in charge, I prioritized maintaining close contact with Mori Building's various departments and my SECOM colleagues.

The selection of cocobo for such a prominent location as Azabudai Hills was a great confidence booster. We look forward to continuing to propose hybrid security operations that use both static guards and security robots.



Yuji Okamoto
Security configuration design

When I entered the completed Azabudai Hills for the first time, I was once again struck by the honor of SECOM having been chosen to protect such a ground-breaking complex. As part of designing the security configuration we proposed, we explained how cocobo would be of assistance to static guards, making deployment beneficial from both a cost and a productivity perspective.



Kiyohito Fujii
cocobo deployment

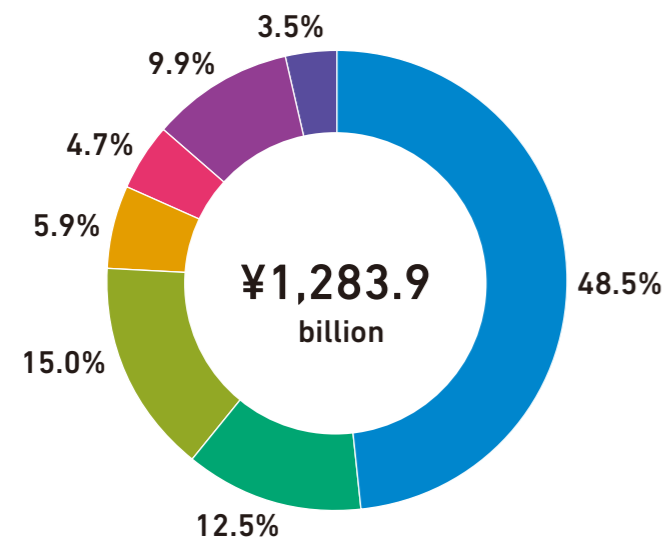
We have a strong track record deploying cocobo at airports, but high-rise buildings present special challenges that required a modified tuning technique, including making it possible for the robot to use elevators. Mori Building was thus instrumental in the further evolution of cocobo. We will leverage know-how gained to further grow and evolve.



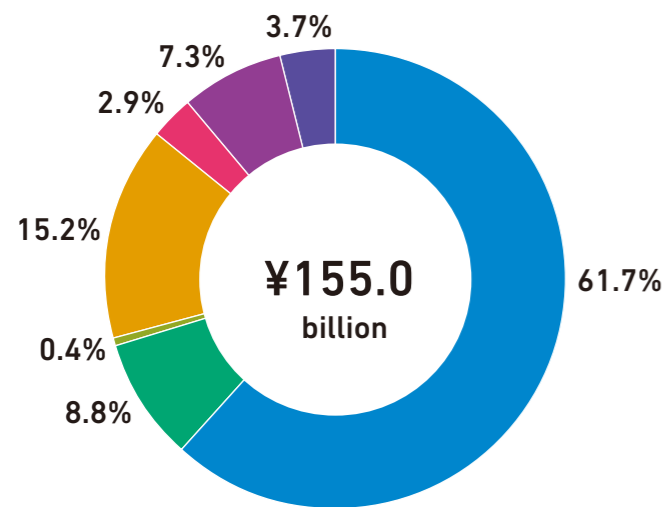
Takeshi Hiroshige
Static guard services

Given the huge size of Azabudai Hills, SECOM, as director of overall security, would be responsible for supervising static guards from multiple security services companies and managing security for the entire complex, which I recognized as a considerable challenge. I was pleased that we were welcomed by everyone at Mori Building as colleagues that were there to work together toward the realization of this new and modern town.

Net Sales and Operating Revenue*1



Operating Income*2



- Security Services
- Fire Protection Services
- Medical Services
- Insurance Services
- Geospatial Information Services
- BPO and ICT Services
- Other Services

*1 Breakdown is based on consolidated net sales and operating revenue (excluding intersegment transactions) for the fiscal year ended March 31, 2024.

*2 Breakdown is based on total operating income for seven segments (¥174.4 billion), prior to adjustment for corporate expenses and eliminations, for the fiscal year ended March 31, 2024.

Segment	Principal operations	Competitive advantages	Principal consolidated group companies*3
Security Services	<ul style="list-style-type: none"> ● On-line security systems ● Static guard services ● Armored car services ● Merchandise and other 	<ul style="list-style-type: none"> • Integrated approach to providing on-line security systems • Solid technological foundation made possible by proprietary research and development configuration • Nationwide network of approximately 2,600 emergency depots, facilitating swift response in the event of an emergency and appropriate operational control • Rental format that minimizes initial costs for subscribers and enables SECOM to take responsibility for equipment maintenance and upkeep • Solid income foundation (attributable to stable recurring revenue-based businesses) and robust customer base • Extensive lineup of security merchandise, including surveillance cameras and access control systems • Overseas operations centered on the provision of on-line security systems that reflect local market needs 	SECOM CO., LTD.*4 Secom Joshinetsu Co., Ltd. Asahi Security Co., Ltd. Secom plc
Fire Protection Services	<ul style="list-style-type: none"> ● Fire alarm systems ● Fire extinguishing systems ● Maintenance services 	<ul style="list-style-type: none"> • Two Group companies with leading shares of the Japanese fire protection services market • Comprehensive lineup of services that respond to a broad range of customer needs • Integrated service configuration encompassing R&D and planning, equipment design and production, installation and maintenance • Stable demand for equipment that complies with Japan's Fire Service Act • Ability to extend renovation proposals that draw on a wealth of experience • Expertise in fire extinguishing systems for tunnels and other large-scale structures 	Nohmi Bosai Ltd.*4 Nittan Co., Ltd.
Medical Services	<ul style="list-style-type: none"> ● Home medical services ● Operation of residences for seniors ● ICT-based medical services ● Sales of medical equipment and pharmaceuticals ● Support for affiliated medical institutions 	<ul style="list-style-type: none"> • Conviction that protecting health and life is the ultimate expression of the SECOM commitment to delivering safety and peace of mind • Experience and extensive know-how in the provision of diverse medical services • Strong collaboration with local communities aimed at realizing effective comprehensive community healthcare systems • ICT-based services that leverage expertise accumulated in the provision of medical services and SECOM's management resources 	Secom Medical System Co., Ltd. Takhasila Hospitals Operating Pvt. Ltd.
Insurance Services	<ul style="list-style-type: none"> ● Fire insurance policies ● Automobile insurance policies ● Cancer treatment policies 	<ul style="list-style-type: none"> • Belief in the need for both security services, which are preventative by nature, and non-life insurance, which looks after people in the event of misfortune • Development and provision of unique fire insurance policies that take into account the risk mitigating factors of on-line security systems • Development and provision of an automotive insurance policy that includes access to emergency response services • Development and provision of a cancer treatment policy that features full coverage for all treatment costs 	Secom General Insurance Co., Ltd.
Geospatial Information Services	<ul style="list-style-type: none"> ● Services for public sector entities ● Services for private sector entities ● Services for overseas customers 	<ul style="list-style-type: none"> • Service configuration overseen by the leading company in Japan's aerial surveying and geographic information system (GIS) markets • Ability to provide geospatial information based on geographic data collected by commercial satellites, aircraft, drones, vehicles and ships • Technological capabilities and expertise in the integration, processing and analysis of geographic and related data to provide geospatial information • Active efforts to cultivate new geospatial information services 	Pasco Corporation*5
BPO and ICT Services	<ul style="list-style-type: none"> ● Data center services ● Large-scale disaster preparedness services ● Information security services ● Cloud-based services ● BPO services 	<ul style="list-style-type: none"> • Highly secure facilities and equipment and tailored support, as well as data center facilities boasting excellent connectivity that are among Japan's largest • One of Japan's leading disaster management support services • Seamless information security services encompassing the formulation of strategies, monitoring, implementation of countermeasures and restoration • ICT services that reflect technological prowess, operational capabilities and know-how that facilitates the construction and operation of network systems that leverage extensive experience in the provision of security services • Provision of high-grade contact center and other BPO services that deliver safety and peace of mind 	Secom Trust Systems Co., Ltd. At Tokyo Corporation TMJ, Inc.
Other Services	<ul style="list-style-type: none"> ● Construction and installation services ● Real estate leasing ● Home services 	<ul style="list-style-type: none"> • Provision of integrated services, from the design and installation of air conditioning, plumbing and electrical systems to building maintenance • Extensive maintenance and management services for leased buildings, primarily in Tokyo • Provision of lifestyle support services that deliver safety and peace of mind and make life more comfortable and convenient 	

*3 For more information on major consolidated subsidiaries, please see pages 81-84.

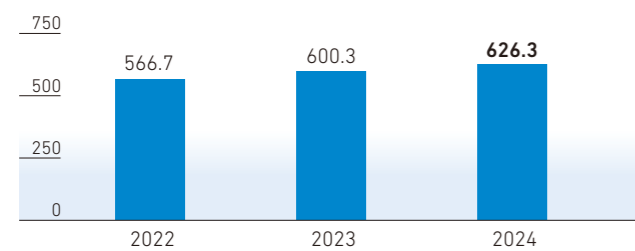
*4 Listed on the Tokyo Stock Exchange Prime Market *5 Listed on the Tokyo Stock Exchange Standard Market



Security Services

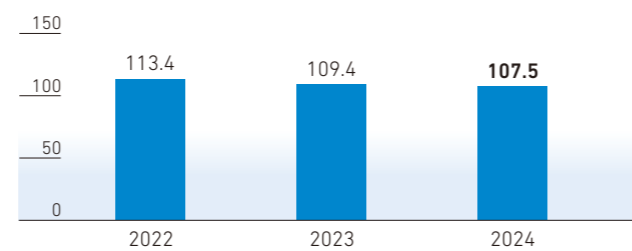
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Business summary

For more than a half-century, SECOM has provided security services that respond to the needs of each of its customers for safety and peace of mind. Our mainstay on-line security systems include around-the-clock monitoring for intruders, fires or other irregularities by SECOM control center staff via telecommunications circuits linking the control center with security equipment installed at the subscriber's premises. In the event an irregularity is detected, control center staff swiftly appraise the situation and issue instructions to emergency response personnel at a nearby SECOM emergency depot, who rush to the subscriber's premises. If necessary, the police and/or fire department are also notified. The initial contract period for our on-line security systems is five years, after which the contract is renewed automatically every year. These are recurring revenue-based services, whereby we maintain security equipment in peak operating condition

and extend it to subscribers on a rental basis, enabling us to deliver seamless peace of mind over the long term.

We are seeing the steady expansion of contracts for our on-line security systems in Japan. At present, contracts for our commercial and residential security systems exceed 2.57 million. We take responsibility for all critical aspects of our security services, from R&D through to equipment manufacturing, security planning, installation, around-the-clock monitoring, emergency response services and equipment maintenance, guaranteeing exceptional quality and reliability. This has allowed us to accumulate extensive experience and know-how, which

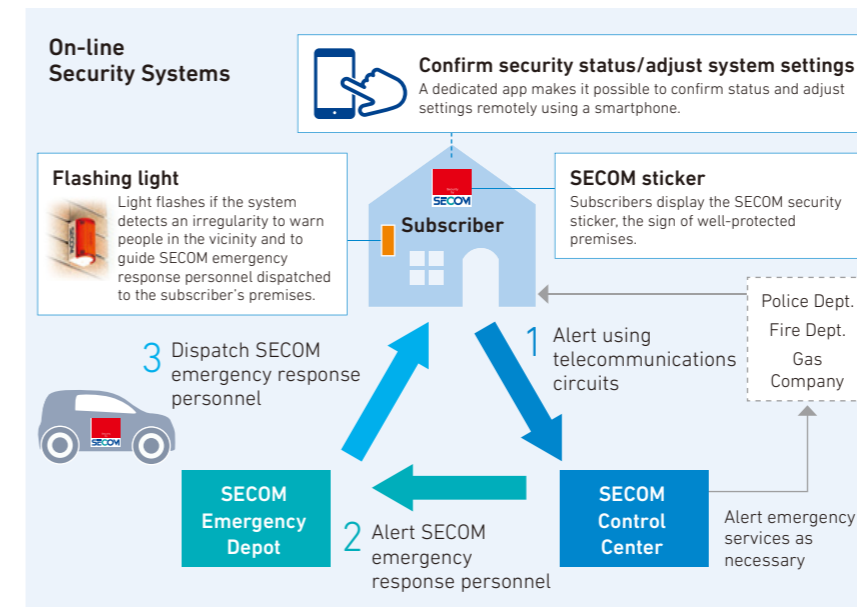


SECOM control center

we continue to leverage to hone the three components of our operating foundation, namely, our technological prowess, human resources, and operational and control structure.

Technological prowess

R&D at SECOM comprises the SECOM Intelligent Systems Laboratory, which conducts research into new technological trends and core technologies, and the Technology Development Division, which capitalizes on research achievements and other optimized technologies to develop highly reliable security equipment and systems. As well as analyzing socioenvironmental changes and trends in criminal activity, our R&D team ensures that the invaluable opinions and needs of subscribers communicated to our sales staff and emergency response personnel in the course of their work are reflected in swift and precise adjustments that further bolster the quality of our on-line security systems. Given the remarkable pace of technological



evolution, in addition to in-house development we are actively promoting open innovation with various partners, from major firms to start-ups, to facilitate the deployment of new state-of-the-art technologies.

Human resources

We recognize that our people are our most valuable management resource and are essential to building a robust organization and offering high-grade

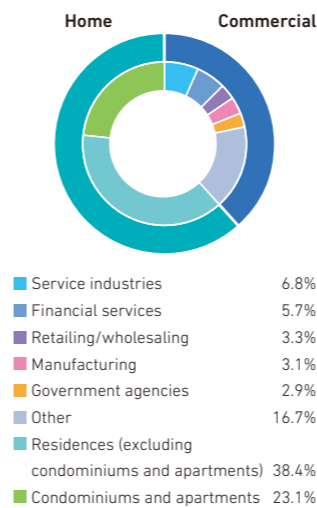
services. In Japan, training for new recruits, emergency response personnel, sales staff, administrative staff and other employees is provided at three training centers to reinforce overall responsiveness to customers. This guarantees that all employees fully understand SECOM's Philosophy and observe a code of conduct befitting security professionals, and enabling them to acquire new and polish existing specialized knowledge and technical skills.

Operational and control structure

As well as a network that enables the effective operation of our on-line security systems across Japan, we have created a proprietary operational and control structure. This structure focuses on control centers, staffed by experienced individuals who make meticulous assessments and issue instructions, dispatching emergency response personnel from one of our emergency depots—part of an industry-leading nationwide network of approximately 2,600 such depots—and ensure our ability to extend swift, accurate services.

Contracts for On-line Security Systems in Japan

(As of March 31, 2024)



Operational highlights Commercial security services

We offer an extensive lineup of security services, centered on on-line security systems, for commercial subscribers. In recent years, such systems must not only provide monitoring for irregularities, such as intruders and fires, but also respond to growing needs for support for subscribers' business endeavors. We are working to broaden our menu of high-value-added services that link our on-line security systems, which underpin our service platform, with various open cloud services, to create a business infrastructure that supports the operations of our subscribers.

Expanding the AZ series

System Security AZ is an all-in-one on-line security system for commercial facilities that helps manage risks by preventing crime and fires and improves work efficiency by facilitating the management of equipment and employee attendance, among others. The system allows users to confirm security status and to arm or disarm the system, remotely using a dedicated smartphone app, one of several features that have earned it high marks for convenience and ease of operation. AZ can also be integrated with the SECOM Cloud Video Surveillance service, which enables users to record and confirm surveillance camera images in the cloud and remotely ascertain conditions on the ground.



System Security AZ

We have also expanded our series of services based on AZ with the aim of making its superior safety and diverse functions available to a greater variety of commercial facilities. System Security AZ-Air features a compact controller that can be connected wirelessly to a wide range of sensors, making it optimal for small and medium-sized offices, as well as for retail facilities, where aesthetics is an important consideration. In addition to entry and exit control for a variety of buildings, including research centers, factories and large-scale commercial facilities, AZ-Access enables the use of various authentication methods and the centralized management of as many as 1,000 locations. The installation of security sensors at a subscriber's premises facilitates monitoring from an on-site disaster prevention center, while the system can also be expanded to include on-line monitoring and the dispatch of emergency response personnel in the event an irregularity is detected.

In July 2024, we released Interactive Security Service, a new image-based surveillance service that combines AZ and AZ-Air. With this new service, store employees can alert SECOM in the event of an anomalous situation. SECOM then assesses the situation from surveillance camera video and audio feeds, issues instructions to emergency response personnel, notifies the police and, if warranted, issues a verbal warning via loudspeaker. This helps ensure the safety of employees at stores with on-site staff.

Capitalizing on AZ to support customers' operations

We continue working to expand SECOM Business SaaS, which supports customers' operations by linking a system in the AZ series with various

open cloud services. Web-based store management support service dot-i stores images captured by an AZ series system's security cameras in the cloud, allowing subscribers to view them remotely from a computer, smartphone or other device, helping to enhance efficiency of display organization and cleaning at chain stores and assisting in the management of unattended facilities.

In June 2024, we established SECOM AZ Certified, a standard for the integration of AZ series systems and robots. Concurrently, we began providing an AZ series system that is integrated with cleaning robots manufactured by a major information systems provider. When cleaning is due to start, the robots and the AZ series system synchronize so that the robots can perform their duties without compromising a facility's security level or triggering security sensors to falsely recognize robot movements as irregularities. This can help subscribers cope with a labor shortage or move toward fully automated cleaning.

Shifting from merchandise to cloud-based services

In December 2023, we commenced sales of SECOM Cloud-Based Access Control, a remote access control service, as part of a shift away from merchandise to cloud-based services. This service, which uses a cloud services platform from a major U.S. IT firm, enables administrators to manage individuals' entry and exit privileges, check access history, and lock and unlock doors using a web browser or dedicated smartphone app. There is no need to install a computer in individual facilities or build a network for integrated management, which helps reduce related costs for subscribers operating multiple

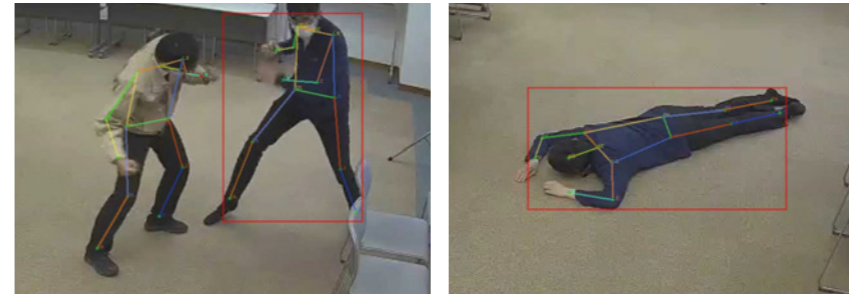
small-scale attended or unattended facilities, including storage units, shared offices and sports gyms.

The Launch of SECOM VMS

April 2024 brought the launch of SECOM VMS, a video management system (VMS) that uses a platform created by subsidiary Aroba Inc., a provider of software for the integrated management of networked cameras. This system facilitates the centralized management of a significant number of surveillance cameras of different types and makes and is compatible with more than 600 surveillance camera models from 25 manufacturers worldwide, making it particularly effective for monitoring at large-scale facilities. SECOM VMS also links with the AI functions of surveillance cameras, facilitating the sending of notifications to the screen of the computer, smartphone or other viewing device when it detects an event or situation, such as an area intrusion or congestion, as well as with an access control system such as AZ-Access, allowing viewing of recorded entry and exit images. We will continue to extend safe and highly convenient services that benefit the operations of our customers.

Introducing the SECOM AI Behavior Detection System

In June 2024, we began offering the SECOM AI Behavior Detection System, which combines the advanced AI behavior recognition technologies of a partner with our business know-how. This system uses AI to enable detection of designated human actions, such as physical altercations or falls, and notifies the monitoring desk. By simply linking a dedicated server to existing surveillance cameras, images from up to 30 cameras can be analyzed simultaneously, improving



Actions detected by the SECOM AI Behavior Detection System include altercations (left) and falls (right)

security, helping prevent accidents and reducing the burden on supervisors, even at large-scale manufacturing or commercial facilities.

SECOM DRONE XX with AI-based image analytics

Capitalizing on operational expertise accumulated through the provision of the SECOM Drone, used for civilian crime prevention, in October 2023 we completed development of the SECOM Drone XX ("Double X"), a security drone for commercial use that provides significantly improved flight time and speed and is also equipped with AI-based image analytics. This new drone offers patrol surveillance, whereby it flies along a predetermined route to confirm security, and intrusion surveillance, which involves tracking intruders detected by sensors and surveillance cameras installed on-site. AI-based image analytics enable SECOM Drone XX to detect people and vehicles, and to automatically track and photograph those identified by surveillance personnel as being



SECOM Drone XX

suspicious. The drone can secure any area within a radius of approximately 6 kilometers, broader than is possible with SECOM Drone. Enhanced wind resistance and the addition of infrared cameras have substantially better surveillance capabilities, even in inclement weather or at night. As well as security for large-scale facilities, various applications are expected to include inspecting public facilities, confirming safety in the aftermath of disasters and patrolling rivers.

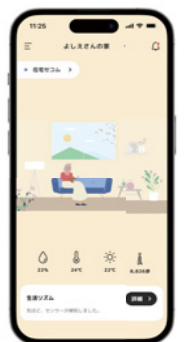
Home security services

SECOM Home Security has expanded beyond essential security functions such as crime and fire prevention, and the sending of alerts when irregularities are detected, to include optional services that improve safety and peace of mind, such as monitoring for gas leaks, medical emergency calls, and monitoring and confirming the safety of individuals. In addition to a compact table-top home controller with an easy-to-use touchscreen LCD, SECOM Home Security NEO can be armed or disarmed remotely from a smartphone and features an automatic notification function that allows subscribers to receive alerts on their smartphone when someone leaves or returns home. The system can further be connected with devices on the IoT. These benefits underscore its steadily expanding popularity.

Expanding monitoring services for seniors

The SECOM Monitoring Service for Seniors, offered as an option to SECOM Home Security subscribers, uses sensors installed in frequently used areas in the home such as bathrooms. If no movement is detected for a set period of time, an alert is sent to SECOM. Adult children living apart can use a dedicated smartphone app to confirm elderly parents' daily rhythms and activity levels. The app can also be used to request the dispatch of SECOM emergency response personnel for an in-person check if there is concern about a parent's well-being.

We also provide the YORISOS Apple Watch and iPhone app as a SECOM Home Security option. Whether at home or on the go, a subscriber can send an emergency alert and request emergency assistance if they sense danger or feel unwell by pressing a button. YORISOS also uses Apple Watch and iPhone health data to assist with everyday health management, issuing a SECOM Assist Report in the event of an issue such as an irregular heartbeat or a decline in walking stability, encouraging the subscriber to seek prompt medical attention or take other appropriate steps.



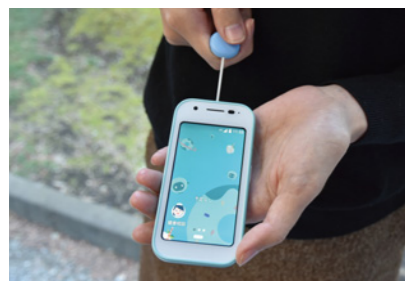
Dedicated smartphone app for SECOM Monitoring Service for Seniors

Services that help alleviate seniors' concerns: anone and SECOM Senior Care Phone Service 2

As the aging of Japan's population leads to an ever-greater number of seniors living alone, needs are increasing for measures to counter the risk of

cognitive and physical decline associated with reduced opportunities to converse with others in everyday life. With the aim of helping seniors feel more connected, we offer *anone*, a communication and conversation service for seniors that uses BOCCO emo, a communication robot.

SECOM Senior Care Phone Service allows users to send emergency medical alerts to SECOM and sends safety verifications to family members and other designated recipients. As of September 30, 2023, SECOM Senior Care Phone Service has contributed to the resolution of upwards of 6,000 incidents since its release in 2019 as a service that helps alleviate the concerns seniors may feel when leaving the house. A user who feels unwell can summon help simply by pulling on the strap of the service's mobile device, which sends an alert to SECOM, triggering the dispatch of SECOM emergency response personnel or the summoning of emergency services if required. In February 2024, we launched SECOM Senior Care Phone Service 2, an upgraded version of this service that delivers more convenient functions for seniors who may be unaccustomed to operating mobile communications devices. Looking ahead, we will continue to develop and commercialize services that help address the concerns of seniors.



SECOM Senior Care Phone Service 2



SECOM Anshin Glass SG

SECOM Anshin Glass SG: Enhancing security for the home

With the need for safety and peace of mind on the rise due to the increasing incidence of residential burglaries, we leveraged our expertise and experience in reinforcing windows to protect against crimes and disasters to a new safety glass, SECOM Anshin Glass SG, in May 2024 in collaboration with a leading glass manufacturer. SECOM Anshin Glass SG is laminated with a stiff, thick SentryGlas® (SG) interlayer between two sheets of glass, creating a product that is highly resistant to blasts and impacts. Additionally, when used in combination with SECOM Home Security, installed sensors instantly detect attempts at vandalism, triggering the dispatch of SECOM emergency response personnel as necessary, ensuring a prompt response before a crime progresses. Going forward, we will continue striving to help realize a society where anyone and everyone enjoys peace of mind.

Other security services

Expanding our lineup of fully automatic AEDs

We released our first automated external defibrillator (AED), a life-saving portable device used in cases of cardiac arrhythmia, in 2004. As of March 31, 2024, SECOM AEDs had contributed to the saving of more than 3,600 lives. In recent years, we have seen an increase in demand for fully automatic AEDs, which analyze heart rhythm and automatically deliver an electric shock if needed, rather than

requiring the rescuer to push the shock button. In October 2023, we launched AED CR2-Auto, our third fully automatic AED model. We will continue working to expand our lineup of AEDs with the aim of broadening installation and ensuring these lifesaving devices are available to anyone and everyone whenever they are needed.

Overseas security services

Extension of services in 13 countries and territories

Our overseas debut was in 1978, when we established a presence in Taiwan. Today, our overseas security services business encompasses operations in 13 countries and territories, through which we extend diverse services and products, notably on-line security systems with emergency response services, customized to reflect local market needs.

Publicly listed Taiwan Secom, the largest security services company in the Taiwanese market, offers a broad lineup of services and products, ranging from home security to safety management systems for large-scale facilities. Taiwan Secom is also actively introducing cloud, AI, IoT and other advanced technologies to further enhance service quality.

Operations in the ROK are spearheaded by S1, which is also publicly listed and the leading company in the local security services market, and include the provision of a wide variety of security services and building solutions, centered on on-line security systems. S1 continues to garner praise



Security guards (Indonesia)

from customers for its swift emergency response services, which it provides through a network of approximately 760 emergency depots, underscoring growth in subscriber numbers.

In the PRC, we have created an extensive security services network encompassing bases from coastal to inland cities, through which we are working to further expand sales.

In Southeast Asia, SECOM Group companies in Thailand, Malaysia, Singapore, Indonesia and Vietnam strive to boost sales and promote local acceptance of on-line security systems.

We have steadily expanded our presence in Turkey since commencing operations in the country in 2019. Today, we extend security services, including safety management systems, to a diverse array of customers.

Having set forth a policy of being the leading provider of premium security services tailored to advanced needs in Australia, we offer high-grade services, including large-scale systems integration, to customers ranging from private-sector companies, including prominent financial institutions and large commercial facilities, to government agencies. We also extend security services, as well as maintenance and inspection services, in New Zealand, where our high-performance surveillance camera systems enjoy particularly solid support from customers across the spectrum, from major supermarkets to financial institutions.

Subsidiary Secom plc delivers high-grade on-line security systems



SECOM Smart Security Care monitoring service for senior citizens (Thailand)

and other security services across the United Kingdom. The company has built a robust reputation, earning the trust of government agencies, and of leading financial institutions and major corporations. In July 2024, the company also entered the Irish market.

Expanding operations in growing markets

With the aim of ensuring sustainable growth going forward, we are broadening our operations in promising overseas markets. We are currently working to increase the percentage of consolidated net sales and operating revenue accounted for by overseas security services to more than 10%. Particularly in Asia, which is home to rapidly growing wealth and middle classes, our focus is on creating services that better reflect local market needs, improving service quality by actively promoting the hiring and training of local staff, and stepping up marketing to raise awareness of the SECOM brand.

At our innovation centers in Shanghai and Bangkok, we are incorporating advanced technologies to develop systems that respond to market needs, as well as to foster highly skilled engineers. A key recent achievement is the development of a highly convenient security system that employs smartphones. In the PRC, we also developed a platform for the digitization of security services and expanded our service menu.

We are also expanding the provision of highly convenient cloud-based interactive security systems, currently available in the

United Kingdom, Thailand, Singapore, Malaysia, Indonesia and Vietnam, which enable system operation and the confirmation of images using a smartphone app, heightening user convenience. In addition, we are looking to offer these services in other countries and territories. In Thailand, we are conducting an advertising and publicity campaign featuring a well-known local actor to bolster awareness of the SECOM brand, in addition to analyzing accumulated customer data to formulate optimal proposals, thereby improving the effectiveness of sales efforts and enhancing customer satisfaction. In March 2024, we released SECOM Smart Security Care, a monitoring service for senior citizens, in response to declining birth rates and the aging of the population, a key social imperative in Thailand.

In another initiative, we are actively promoting business alliances and M&As to expedite the expansion of our overseas operations by building new foundations for growth and realizing synergies over the medium to long term. We recently invested in Eagle Eye Networks and Brivo, leaders in, respectively, video surveillance as a service (VSaaS)*1 and access control as a service (ACaaS)*2 in the United States, and are working to leverage the advanced technologies and unique solutions of both companies, primarily in overseas markets.

By further popularizing our distinctively SECOM security services in the countries and territories in which we operate, and by expanding into new geographic and business areas, we will also seek to establish ANSHIN as a universally recognized term synonymous with peace of mind.

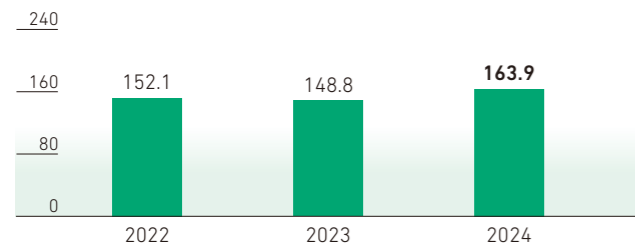
*1 VSaaS enables users to access, manage and analyze video surveillance information in the cloud.

*2 ACaaS enables users to control and manage on-premises access control devices in the cloud.



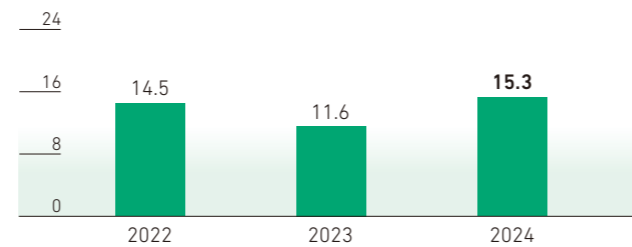
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Operating highlights

This segment centers on the operations of Nohmi Bosai and Nittan, two leaders in Japan’s fire protection services market, which have established an integrated service configuration encompassing everything from R&D to system planning, manufacturing, installation and maintenance. This enables them to respond to needs for fire protection systems for diverse applications, such as office buildings, production facilities, tunnels, cultural properties, ships and homes, and to build an extensive track record and earn the trust of a wide range of customers. In addition to striving to secure orders for new buildings, Nohmi Bosai and Nittan respond to demand in the renovations market, delivering safety and peace of mind by proposing and extending the most appropriate proposals for newly renovated facilities.

Development of new P-type automatic fire alarm system with enhanced visibility

Nohmi Bosai is leveraging its outstanding technical capabilities and integrated service configuration to upgrade its automatic fire alarm, taking into consideration the customer’s perspective and the ease of installation. In April 2024, the company released a new model of its P-type automatic fire alarm system, its core offering for use in a wide range of buildings and other facilities. This new system is equipped with a graphic liquid crystal display (LCD)—an industry first—that clearly displays



P-type automatic fire alarm system (Nohmi Bosai)

crucial information in the event of a fire. The system can also be adjusted to facilitate its use in fire drills. This is also the first P-type system to feature the Advanced P IV System control panel, which makes it possible to view changes in the concentration of smoke detected and temperature and grime accumulations in the detector in graph form. Nohmi Bosai has also made it easier to replace the unit needs when necessary. Looking ahead, the company will continue working to lock in demand from customers in the renovations market by drawing on its wealth of experience addressing the fire prevention needs of customers with new facilities, as well as on the trust of customers it has nurtured over its long history.

A newly developed environment-friendly foam fire extinguishing agent

Nohmi Bosai offers an extensive lineup of water, foam and gas fire extinguishing systems. Conventional foam fire extinguishing systems are manufactured with perfluoroalkyl and polyfluoroalkyl substances (PFASs),



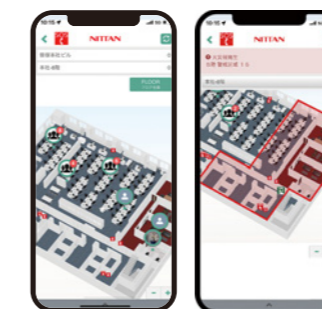
Foam fire extinguishing agent developed by Nohmi Bosai (left) and conventional commercial product (right)

organofluorine compounds that ensure a sufficient fire extinguishing performance even in severe fire environments. In December 2023, the company succeeded in developing an innovative foam fire extinguishing agent that does not use PFASs. The company is confident that reducing its use of PFASs, which are resistant to decomposition through natural processes, prompting concern regarding adverse impacts on human health, will contribute to the elimination of these compounds, a key social imperative. Going forward, Nohmi Bosai will continue to hone its competitive edge by bolstering its development capabilities, a major advantage, and providing fire protection solutions that help resolve issues facing society.

Note: This new foam fire extinguishing agent, manufactured without the use of PFASs, was developed for use with Nohmi Bosai’s Inside Air Hi-Ex System Perf-Ex high-foaming fire extinguishing system.

B Catch Now indoor location information system

Nittan is promoting the expansion of its subscription-based services business,



Dedicated app for the B Catch Now indoor location information system (Nittan)

which makes effective use of the resources it has built up in the area of fire prevention. B Catch Now, an indoor location information system and its principal product in this business, uses signals from sensor beacons installed inside fire detectors to pinpoint the location of people and items indoors, using a computer or a smartphone. Principal applications for this system include the provision of initial response support in the event of a fire, which includes displaying the positions of fire extinguishers, hydrants and emergency exits, confirming the status of evacuation efforts and providing information to the fire department to assist first responders in rescuing people who could not escape.

On an everyday basis, the system can be used to optimize work environments by confirming the whereabouts of employees and whether conference rooms are in use, as well as to collect and analyze data on personnel allocation, workplace flow lines and hours present. B Catch Now beacons can also be attached to equipment and fixtures to clarify their location within a facility, making management and deployment easier and more efficient. A dedicated app makes it possible to use B Catch Now as a communications tool that can be linked with a telephone, email or Microsoft Teams. Nittan is also adding new features. These include the “welcome back notification” feature, which informs pertinent parties by email when someone previously out of the office

or otherwise away from their desk returns.

Fire prevention systems for the protection of national treasures and cultural properties

The major fire that destroyed Shuri Castle in Okinawa in October 2019 heightened awareness of increasing needs to strengthen fire prevention measures for cultural properties. Protecting cultural properties from fires demands special equipment, including fire detectors that enable remote monitoring, offering protection without being aesthetically disruptive. Tremendous care must also be taken not to cause damage to cultural property structures or to any valuable items they house.

Nittan has taken responsibility for all aspects of the automatic fire alarm systems for several national treasures and cultural properties in Shikoku, from design through to installation, working with a team of professionals from various fields, including staff from its headquarters and production facilities, subcontractors and sales offices. Nittan has earned praise from customers for proposing systems that exceed the new guidelines for the protection of cultural properties published by Japan’s Agency for Cultural Affairs by bringing together expertise in various areas. The company will continue working to provide and promote awareness of high-grade fire protection systems tailored to the needs of cultural properties.



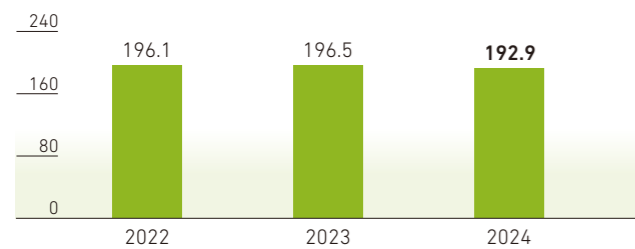
Fire detectors for special environments, including production facilities, areas where hazardous materials are handled and important cultural properties (Nittan)



Medical Services

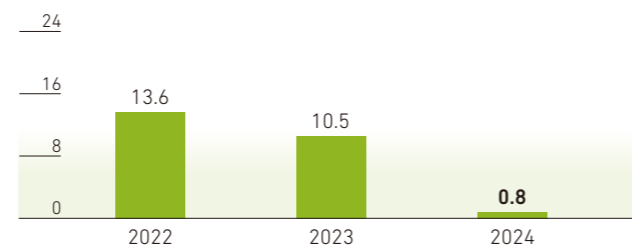
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Operating highlights

In the belief that the ultimate expression of our commitment to delivering safety and peace of mind is the provision of services that protect health and life, in 1991 we began offering medical services to assist home medical care. Today, we have a broad menu of services tailored to the needs of individuals who are anxious about their health with a focus on four categories: medical care, personal care, healthcare and preventative care, and ICT-based medical services. We are also leveraging ICT to help create comprehensive community-based healthcare models extending a variety of services.

Medical care services

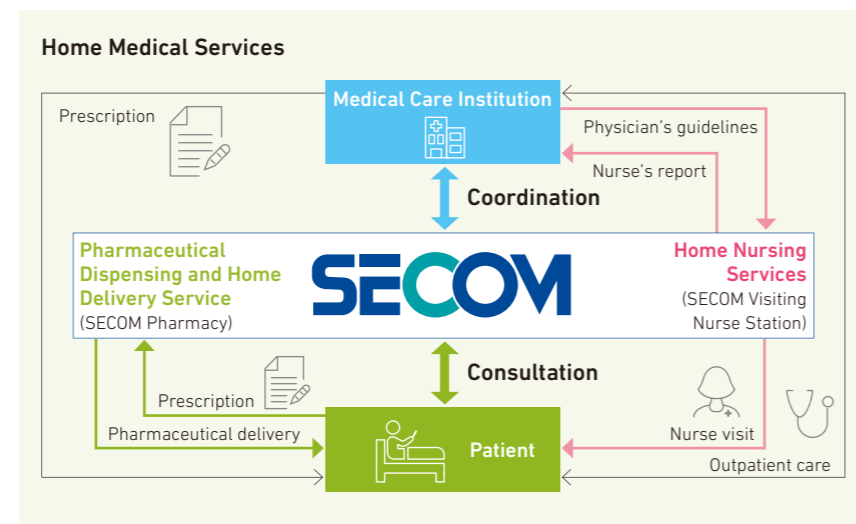
In addition to home medical care, we provide operational support for hospitals and clinics. Our medical care services business also encompasses the operation of hospitals overseas that capitalize on know-how cultivated in Japan to offer high-grade medical care.

SECOM home nursing services focus on the dispatch of visiting nurses

to the patient's home from a nationwide network of 33 visiting nurse stations to extend expert medical treatment and nursing care under the direction of his or her physician. Our pharmaceutical dispensing services involve filling prescriptions at a pharmacy and delivering needed medications, as well as providing medical supplies, including infusion lines and syringes for home parenteral nutrition (HPN) administered via central venous catheter, medical hygiene products and patient compliance

instruction, to individuals receiving medical care at home.

We support the operations of 21 affiliated medical institutions offering diverse services that include high-level acute care, rehabilitation and convalescent care, and long-term care by extending services that contribute to reduced costs and greater efficiency. These include sales and rentals of medical equipment and joint purchasing of pharmaceuticals. We are also making use of our accumulated



expertise in home medical care to provide support for the opening and operation of community clinics.

In emerging economies, demand for an improved medical care system and higher-level services continues to grow. In India, we opened Sakra World Hospital in Bengaluru in 2014. This institution, which strives to provide patient-first, meticulous medical services and to bolster the overall quality of medical care available to patients as a 320-bed "Japanese-style" general hospital, continues to see stable growth. A second hospital with approximately 450 beds, also in Bengaluru, is scheduled to open in 2027. The new facility will emphasize the provision of advanced medical care, including comprehensive cancer treatment and regenerative medicine.

Personal care services

This category includes visiting personal care services and outpatient



Artist's impression of the completed second hospital in Bengaluru

care services (adult day care), from comprehensive home personal care services centers. We also operate residences for seniors, bringing together our expertise in the provision of security, medical care and personal care services.

Health and preventative care services

We support health management through, among others, the operation of the membership-based SECOM Health Care Club KENKO and the provision of telephone-based health consultation services. These services are designed to assist customers' efforts to maintain and improve their health, thereby protecting themselves against illness and the need for medical or personal care.

ICT-based medical services

We are developing a range of unique ICT-based medical services for hospitals and clinics by leveraging our outstanding information network technologies, medical care services for hospitals and clinics and expertise cultivated through the provision of operational support for hospitals and home medical care services.

SECOM LINKus is a cloud-based electronic medical records system that allows information entered into electronic medical records to be stored at a SECOM data center and shared among medical professionals. Hospi-net, a remote image diagnosis support service, supports the efforts

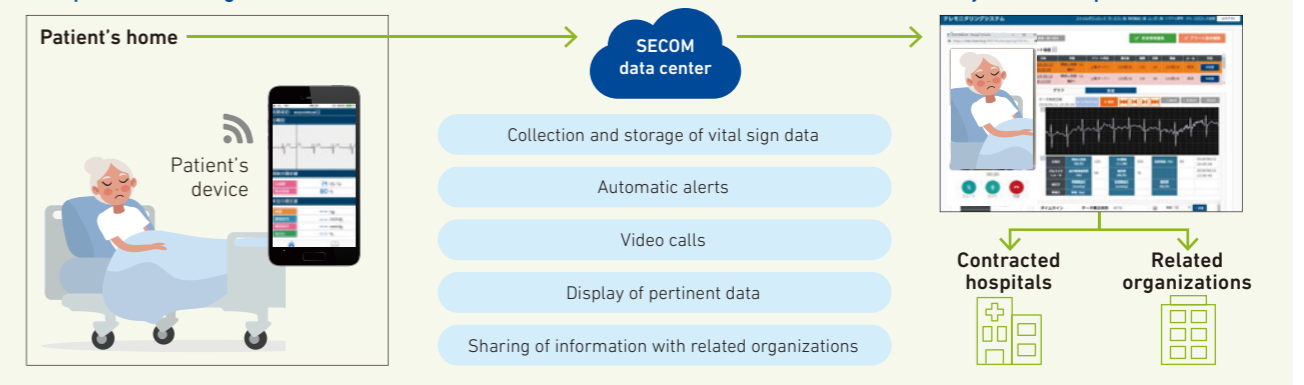
of physicians to diagnose patients by providing topnotch medical imaging reports by highly experienced radiologists with diverse specialties. To address the medical information needs of medical institutions, we offer SECOM SMASH, a hospital management information analysis system, which helps elucidate the management status of hospitals.

The SECOM Vitalook remote medical care support platform collects home medical care patients' vital sign data (i.e., pulse, blood pressure, body temperature and electrocardiogram results) and stores it at a SECOM data center, enabling physicians and nursing staff at contracted medical institutions to review such data in real time and issue appropriate instructions remotely. From December 2023 through March 2024, we took part in a demonstration experiment for a medical mobility as a service (MaaS) solution that combines a mobile clinic and online diagnostic services using SECOM Vitalook to respond to the need to maintain and/or strengthen the provision of medical services in areas experiencing rapid depopulation and an aging citizenry.

Looking ahead, we will continue to expand our ICT-based medical services, crucial to safety and peace of mind, with the goal of supporting medical care and personal care in a super-aged society while at the same time exploring the provision of such services in markets around the world.

SECOM Vitalook

Collection and storage of home medical care patient's vital sign data

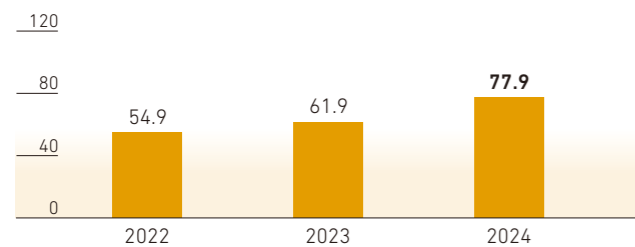




Insurance Services

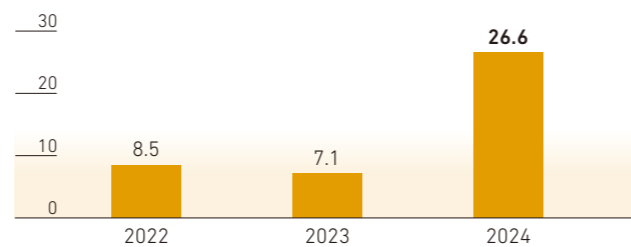
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Operating highlights

We believe that our ability to deliver safety and peace of mind depends on providing both security services, which are preventative by nature, and non-life insurance services, which look after people when misfortune strikes. Accordingly, we are leveraging the resources of the SECOM Group to build a distinctive insurance services business that includes unique products such as fire insurance policies that offer a discount on premiums to subscribers who have installed an on-line security system.

MEDCOM cancer treatment policy

MEDCOM is a pioneering indemnity-based unrestricted cancer treatment policy developed from the subscriber's perspective. In addition to unlimited coverage for all inpatient hospital treatment, including private care, advanced care and care covered by public health insurance, MEDCOM covers outpatient treatment up to ¥10 million per five-year period. This allows

subscribers to concentrate on treatment without having to worry about the economic implications thereof, driving the steady expansion of subscriptions.



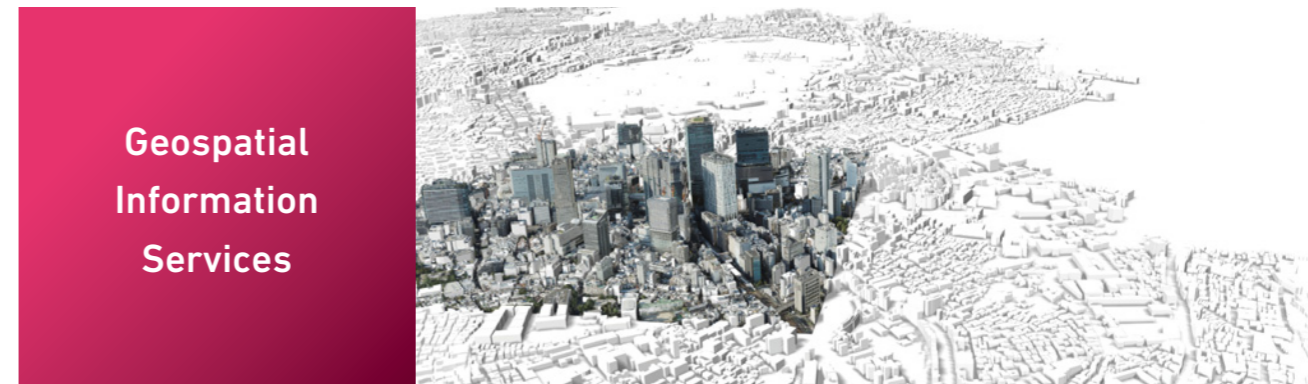
Manga introducing the features of unrestricted cancer treatment MEDCOM

SECOM Anshin My Car

SECOM Anshin My Car is an automotive insurance policy that offers around-the-clock access to on-site assistance from SECOM emergency response personnel if requested in the event of an accident. This policy's customer-focused support services, which also include emergency response personnel contacting the police and emergency services, confirming the seriousness of the accident and photographing the site, continues to earn high marks from customers.

Fire insurance policies featuring premium discounts for subscribers with security systems

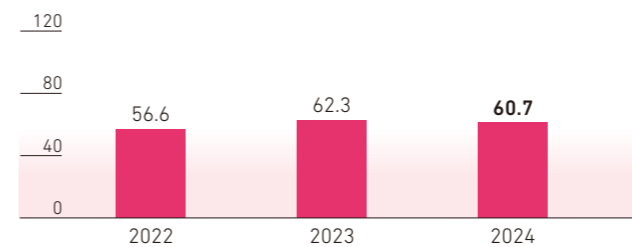
We strive to ensure safety and peace of mind for both commercial premises and homes by providing fire insurance as well as security services. Residential fire insurance policy SECOM Anshin My Home features a discount on premiums for subscribers who have installed an on-line home security system, recognizing that such systems reduce the risk of theft and fire. The Security Discount Fire Policy, for commercial premises such as offices and retail facilities, gives premium discounts of up to 30% to subscribers who have installed a commercial on-line security system, reflecting the risk-mitigating benefits thereof, earning praise for its reasonable premiums and extensive coverage. We also offer fire insurance to services customers planning to install an on-line security system and will continue to capitalize on business opportunities presented by the increased deployment of security systems and expanding sales of insurance policies.



Geospatial Information Services

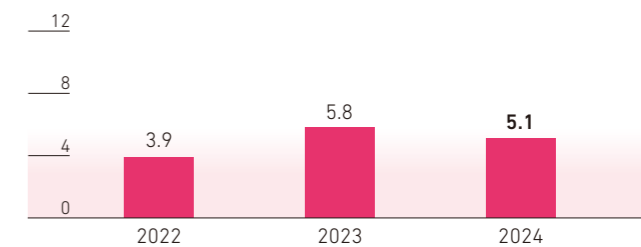
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Operating highlights

Subsidiary Pasco collects geospatial data from sensors mounted on commercial satellites, aircraft, drones, proprietary vehicles and ships, among others, which it integrates, processes and analyzes to provide a variety of geospatial information services that help address key social imperatives.

Pasco's superior measurement digital technologies are finding expanded applications. In the area of services for public sector entities in Japan, which account for approximately 90% of its net sales and operating revenue, this includes deployment in the Japanese government's Vision for a Digital Garden City Nation initiative, which is advancing the development and use of digital infrastructure, and the Ministry of Land, Infrastructure, Transport and Tourism's 3D urban model creation project, Project PLATEAU. For domestic private-sector customers, Pasco provides services that underpin enhanced productivity and decision making. Pasco also extends support services for developing countries.

Evolving services for domestic customers

Pasco has positioned the three years beginning in the fiscal year ended March 31, 2024, as a phase of foundation rebuilding and is aiming to reinforce its management foundation to ensure its own sustainability, as well as to evolve and grow its businesses to contribute to the realization of a sustainable global environment and the creation of social infrastructure.

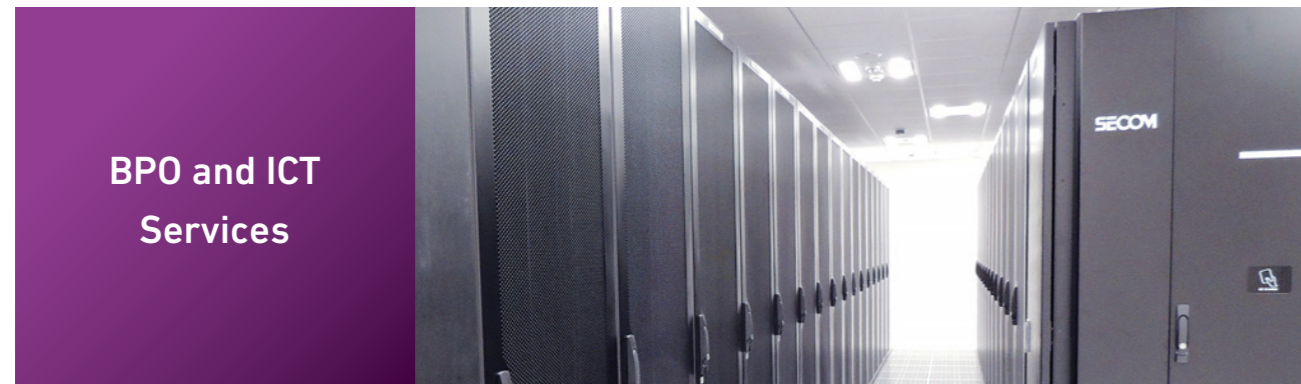
In the period under review, the company began providing TerraVerse, a platform for distributing 3D geospatial data that can be deployed as a component of DX in the area of infrastructure development. The company also conducted field tests for systems using satellite images and AI technologies, and provided information services centered on change detection in forested areas. Going forward, the company will continue working to inaugurate new businesses, including taking part in demonstration projects harnessing the metaverse and related 3D technologies.

Expanding services for ASEAN member countries

Overseas, Pasco is collaborating with other organizations to expand its presence in Association of Southeast Asian Nations (ASEAN) member countries. In August 2023, Pasco signed a memorandum of understanding with Thailand's Geo-Informatics and Space Technology Development Agency (GISTDA) to cooperate in the creation of a geospatial information services business with the aim of advancing the level of geospatial information in that country. In addition, in April 2024 the company began offering N-Deals™, a cloud-based area marketing tool, to support the efforts of companies to expand their business in ASEAN member countries.

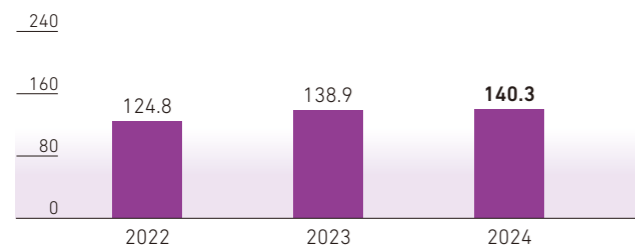


TerraVerse 3D geospatial information data distribution platform



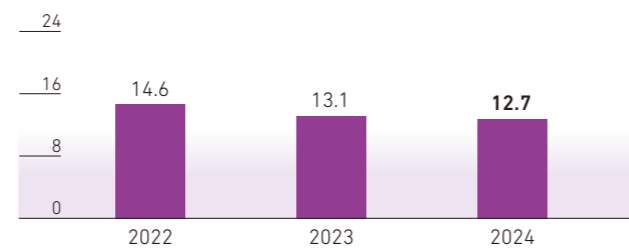
Net sales and operating revenue

(In billions of yen)



Operating income

(In billions of yen)



Operating highlights

Secom Trust Systems is responsible for developing and operating IT systems for SECOM Group and other companies, and for providing ICT services such as large-scale disaster preparedness services, information security services and cloud-based services. At Tokyo operates some of Japan's largest data centers, which boast outstanding reliability and connectivity, enabling it to provide data center services around the clock. TMJ extends high-grade contact center, back-office support and a wide range of other BPO services.

Large-scale disaster preparedness, information security services and cloud-based services

Secom Trust Systems provides services that assist customers in the formulation of BCPs to ensure advance preparations, the implementation of effective immediate response measures and the prompt restart of operations in the aftermath of a large-scale disaster. The SECOM Safety

Confirmation Service enables subscribers to swiftly ascertain the safety of employees and their families, as well as damage to sites, in the event of a major earthquake or other disaster or the failure of infrastructure. As of March 31, 2024, this service was used by approximately 8,950 companies employing around 8.3 million individuals, making it one of the most widely used crisis management services in Japan. This and other disaster preparedness services were registered in September 2023 as Information System Security Management and Assessment Program (ISMAP) cloud-based services.* With the aim of further expanding sales, Secom Trust Systems has also added the SECOM Safety Confirmation Service Smart Edition, which boasts the same basic functions at a reasonable price and targets small and medium-sized companies.

Information security services provide comprehensive assistance to customers in protecting their information from cyberattacks. These range

from advance diagnostics and countermeasures to monitoring and assistance with responses in event an incident occurs, ensuring comprehensive around-the-clock support. Secom Trust Systems also acts as a certification authority, responsible for the management of cryptographic keys, to guarantee the safe and secure transmission of information using devices on the IoT.

Secom Trust Systems also extends human resources technology—i.e., personnel, salary and labor management—and other cloud-based services that contribute to improved operating efficiency and to the reduction of costs. In April 2023,



SECOM Safety Confirmation Service

SECOM Year-End Tax Adjustment Service, currently provided to more than 800,000 customers, was linked to the core software of a major systems integration firm, enhancing convenience for customers. Going forward, the company will continue to support the proliferation of DX by extending services that deliver safety and peace of mind.

Secom Trust Systems leverages its robust Secure Data Center, which enables the safe storage of customer data, to provide a variety of ICT services. The Secure Data Center also serves as the operational platform for SECOM's security, certification authority and other services. In October 2025, the company plans to open a new data center facility boasting distinctively Secom superb security and an excellent environmental performance.

* ISMAP is a program for selecting cloud-based security services suitable for use in government agencies' information systems.

Data center services

At Tokyo operates data centers that boast no-downtime services and connectivity that facilitates access to network services extended by megacloud service companies and telecommunications carriers, as well as to overseas service providers. With the growing shift toward cloud-based corporate systems, the expanding use of remote working styles and increasing content capacity requirements, demand for data center services is expanding.

In July 2024, At Tokyo began providing services from the At Tokyo



At Tokyo Chuo Center #3

Chuo Center #3 (CC3), located in the Shibaura–Shinagawa area in central Tokyo, which serves as a network connection hub for corporate customers. CC3 operates with virtually 100% renewable energy,*¹ enabling it to respond to both the emergence of AI and demand from large-scale users.

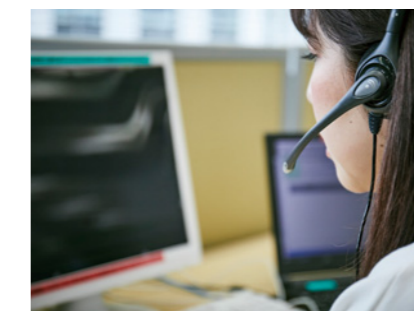
In another key development, At Tokyo and ARTERIA Networks, which joined the SECOM Group in 2023, will install the first fiber optic cable to traverse the Port of Tokyo.*² The cable will connect the Shibaura–Shinagawa area, where CC3 is located, with the Toyosu–Ariake area, where a significant number of IT companies are located, providing the shortest route between the two, helping respond to surging communications traffic. At Tokyo will continue to provide data center services and connectivity that support the IT infrastructure of Tokyo, a hub for high-tech and global financial industries.

¹ An entity is said to operate with virtually 100% renewable energy when its CO₂ emissions from the consumption of electric power are neutralized by the environmental value derived from its use of energy from renewable sources.

² As of December 2023. Source: ARTERIA Networks

BPO Services

The need for safe, secure and high-grade BPO services continues to expand amid declines in the labor force. As one of only a few outsourcing companies in Japan that offer a full menu of BPO services, from design through to operation, TMJ has earned high marks for its high-grade contact



TMJ contact center

center and back-office support services from a broad range of companies, including financial institutions.

In June 2023, TMJ collaborated with a customer company and a firm involved in the development of AI solutions to launch the Next-Generation Contact Center Project, which focuses on the use of generative AI in customer service. To ensure swift, effective customer service whenever needed, the project sought to assist customer service agents in providing appropriate answers, improve the accuracy of chatbots and expand the capacity of automatic response, thereby improving overall contact center productivity and enhancing the customer experience. In December, capitalizing on know-how cultivated as a result of this project made available for general use, TMJ began offering a customer service agent support system that uses generative AI to automatically produce the text of and responses to frequently asked questions, answers to queries received by email, among others, and text-form summaries of response histories.

In April 2024, TMJ completed registration as a financial service intermediary business, a business sector encompassing companies that provide one-stop intermediary services on behalf of financial institutions, and is now licensed to extend customer support and administrative assistance for financial products and services in two sectors (banking and securities). Outsourcing a broader range of services will allow TMJ's customers to resolve issues associated with a critical labor shortage, while benefits for TMJ will include the ability to maximize human resources without having to allocate them to different business areas and to expand the scope of orders it receives.

S SOCIAL

3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS

SECOM's approach

In line with our basic philosophy of offering services that are beneficial for society, we believe that the quality of services that deliver “safety and peace of mind” is guaranteed by people. Accordingly, we work to secure and foster human resources with a strong desire to contribute to society.

Securing and fostering of talented human resources We are focused on securing and fostering talented human resources with the ability to adapt to change and create value and who seek to contribute to society.

Our vibrant, diverse team of employees, who are critical to our ability to provide services that deliver safety and peace of mind, are our greatest asset and another driving force behind our growth and evolution. Accordingly, we strive to secure and foster talented human resources who have the ability to adapt to change and create value and who seek to contribute to society.

As a company that extends services across Japan and around the world, we promote active recruiting efforts. We also work to enhance employee welfare with the goal of improving our ability to retain human resources and have established a variety of programs designed to encourage motivation and productivity, as well as to create employee-friendly workplaces. One such program enables employees to choose the geographic location to which they are assigned to suit stage of life or personal preference. To ease the financial burden on young employees, in the current fiscal year, ending March 31, 2025, we introduced a system whereby SECOM takes care of a portion of student loan repayments.

We provide extensive training to foster human resources with high ethical standards and superior skills. In addition to

Average Hours Spent by Employees in Training

Fiscal year ended March 31, 2023	28.4 hours
Fiscal year ended March 31, 2024	28.1 hours

*Scope of reporting: SECOM CO., LTD.
The method of calculation was revised in the fiscal year ended March 31, 2024, and data for the previous year was revised.

training for all new employees, we are strengthening department- and job-specific curricula that reinforce practical capabilities in a manner that benefits employees on the front lines to support autonomous career building, we also have an overseas study program, a subsidy system for employees to take correspondence courses and a system for employees to declare their preferred department or job type. In the area of training for security guards, we have introduced VR technology to improve effectiveness and ensure employees acquire excellent discernment and know-how.

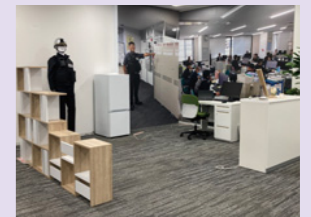
Employee performance reviews look to impartially evaluate employees' efforts and support self-realization. Evaluations are based on reports prepared by employees

assessing their execution of duties, achievements and areas in need of improvement, as well as on rational assessment categories optimized for each particular job. We use an open and fair format whereby review results are disclosed to employees. In addition, we promote self-actualization through

systems designed to assist with career development, including the Self-Reporting System and Challenge Support System, which encourage employees to declare and assist their efforts to realize their own future goals and aspirations.

SECOM opens work experience facility connect base akasaka, which specializes in activities for new recruits

We recently opened connect base akasaka, which allows students who have applied for a job at SECOM to experience working as a security guard, in central Tokyo. This facility enables new recruits to take part in a hands-on program that includes the entire process of providing security with an on-line security system using booths modeled after a customer's premises and a SECOM office. We look forward to welcome new human resources to this facility to help them gain a deeper understanding of the job of a security guard, as well as dispel any concerns they may have before joining SECOM.



connect base akasaka's SECOM office booth

SECOM's Philosophy and the SECOM Group Code of Employee Conduct Efforts are proceeding to ensure the full penetration of SECOM's Philosophy and encourage strict compliance with the SECOM Group Code of Employee Conduct to bolster employee motivation and earn the trust of society.

Encouraging awareness of SECOM's Philosophy and adherence to the SECOM Group Code of Employee Conduct are essential to maximizing the trust of stakeholders and our corporate value. Handed down since our establishment, SECOM's Philosophy provides a spiritual anchor for Group employees and the entire SECOM Group. The driving force behind our growth and evolution, this philosophy emphasizes a refusal to be content with the status quo and a commitment to doing what is appropriate. The first element expresses our determination to offer innovative services and systems by challenging accepted norms, while the second calls for judging the legitimacy of our actions by examining whether they are just, fair, and beneficial not only to SECOM but also to society as a whole. The SECOM Group Code of Employee Conduct sets forth ideals for the conduct of employees in both public and private life and specific standards for the day-to-day performance of duties. We have

published SECOM's Philosophy and the SECOM Group Code of Employee Conduct in the form of handbooks and pocket-sized guides, which are distributed to employees in Japan and overseas.

Questions on SECOM's Philosophy and the SECOM Group Code of Employee Conduct are included in our e-learning program, which is provided annually, and employees' compliance status is reflected in their annual performance reviews. An employee who becomes aware of a violation is obliged to submit a report to his or her superior. In addition, we have established a whistle-blowing system and are currently using IT equipment and taking other steps to encourage observance.

Since 2018, we have promoted the Tri-ion initiative, which seeks to ensure that SECOM's Philosophy fully penetrates every aspect of our operations and to boost motivation and productivity Groupwide.

Occupational health and safety We have established a system to minimize occupational safety risks in the area of security services, and work to maintain and improve the health of our employees by managing working hours and conducting health checks.

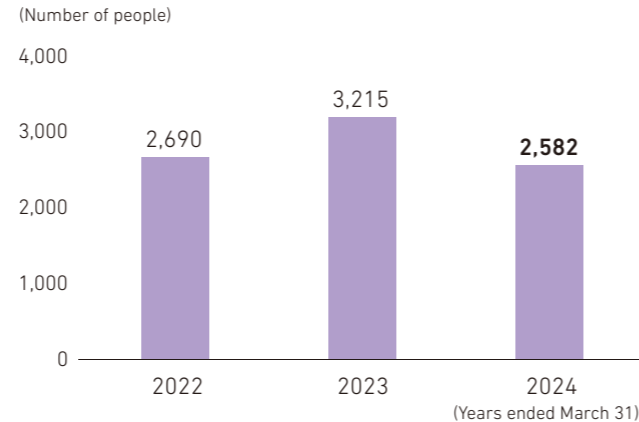
We believe that our ability to provide safety and peace of mind to our customers depends on first ensuring the health and vitality of our employees. Accordingly, we promote

various initiatives aimed at protecting and enhancing employee health and creating safe, employee-friendly workplaces.

The Human Resources Department has established a system to comprehensively manage occupational health in collaboration with the Health Promotion Office, which is staffed with occupational health physicians (OHPs), and the SECOM Health Insurance Union. Site health committees across Japan meet to discuss key issues, including employee working hours and efforts to maintain and improve health, enhance work environments, ensure safety and prevent danger. Employee health check results are managed through the system and used by OHPs to provide health guidance. We also actively care for employees' mental health, conducting stress checks, arranging meetings with psychiatrists and specialized counselors, to make certain that employees feel both physically and mentally supported.

To ensure occupational safety, the Operations Division verifies day-to-day security operations and works to reduce identified occupational safety risks. Our operational and control structure facilitates the efficient exchange of reports and instructions between the front lines and senior management, ensuring that the latter is fully apprised of day-to-day operations across Japan and able to provide instructions for improvements where necessary to bolster occupational safety. Of note, we have developed training to

Participants in Training Aimed at Preventing Occupational Accidents



*Scope of reporting: SECOM CO., LTD., and certain SECOM Group companies

ensure employee safety in the event of an emergency, as well as programs that seek to improve equipment maintenance to prevent injuries, as well as to enhance driving techniques. Ongoing efforts to create safe, employee-friendly workplaces include the provision of extensive training aimed at preventing occupational accidents, including that related to the risk of security accidents in various situations.

Diversity

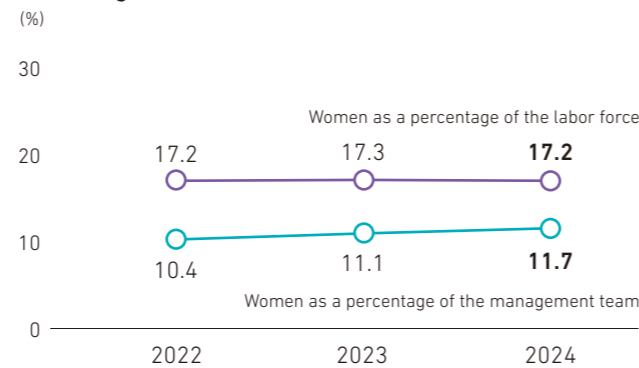
Diversity and inclusion staff have been assigned to the Human Resources Department to promote the creation of positive work environments in which diverse employees can maximize their capabilities.

Recognizing the importance of welcoming a broad spectrum of individuals with wide-ranging ideas to the creation of new value, we actively promote diversity in our labor force, including by advancing career opportunities for female employees. In 2017, we established the Declaration of Promoting Diversity & Inclusion, and assigned diversity and inclusion staff to the Human Resources Department. We currently promote the creation of work environments that maximize the capabilities of all employees regardless of gender, nationality, age, physical ability, sexual orientation, or gender identity.

We continue working to advancing career opportunities for female employees in line with an action plan formulated in April 2021, striving to achieve the plan's objectives by actively fostering female leaders, expanding the scope of jobs available to women, taking steps to prevent harassment, and promoting work-life balance, thereby creating positive work environments for women. Thanks to these efforts, the number of women in management positions is increasing steadily. Women have been

appointed to management positions in the home security services business' sales departments and in site administrative departments. In April 2023, we appointed female employees to the position of manager at security services offices.

Women as a Percentage of the Labor Force and the Management Team



*Scope of reporting: SECOM CO., LTD. (Years ended March 31)

Work-life balance

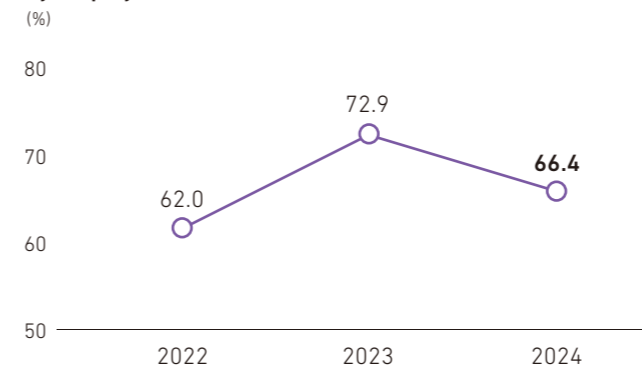
We have established systems that support work styles suited to the different stages of employees' lives and the creation of work environments that encourage job satisfaction and increase employee retention.

We view work-life balance, including sufficient physical and mental rest and a fulfilling private life, as essential to the ability to approach one's work with energy and focus. In addition to actively encouraging employees to take annual paid vacation days, beginning in the fiscal year ended March 31, 2024, we increased the number of paid vacation days granted to employees at the time they join SECOM from three to nine, with the aim of encouraging new employees to approach their new responsibilities with greater peace of mind. We have also increased the number of paid vacation days granted to employees annually from between two and five days above the legally mandated number, depending on job classification and duties. Due in part to such efforts, the rate at which employees take paid leave, which had risen steadily in recent years, declined in the period under review. We have established a variety of vacation and leave systems to help employees maintain a healthy work-life balance.

- ▶ **Flex vacation:** Enables employees to take 10 consecutive vacation days annually, in theory at any time during the year
- ▶ **Refresh vacation:** A two-week vacation available to employees every 10 years
- ▶ **Maternity leave:** Available for the six weeks prior to and eight weeks after giving birth; an additional two weeks is available to employees who wish to start their maternity leave earlier

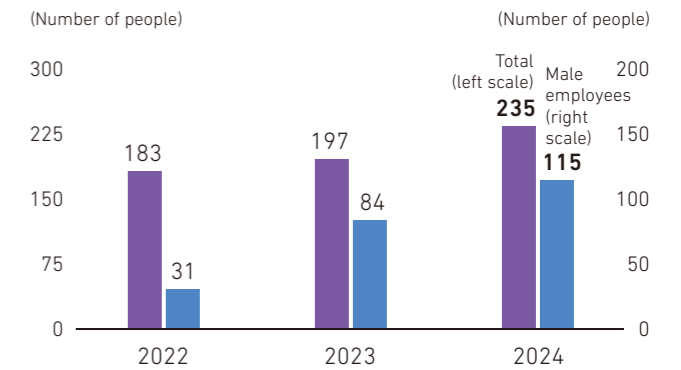
- ▶ **Childcare leave:** Can be taken up until the day before the child's third birthday and can be taken in up to three installments. The target rate for male employees taking childcare leave is 50% by 2025. In the fiscal year ended March 31, 2024, the rate was 45.8%.
- ▶ **Change in working hours/exemption (shorter working hours) for childcare:** Allows employees who are pregnant or have children who have not yet entered the fourth grade of elementary school (exceeds legal requirement, which is children under the age of three) to change their working hours or be exempted from minimum working hour rules
- ▶ **Nursing care leave or change in working hours/exemption (shorter working hours) for nursing care:** Enables full leave or adjusted working hours for up to six months (maximum of 186 days) for employees providing nursing care to a family member wishing to return to work full-time after conclusion of nursing care provision
- ▶ **SECOM Life Support Program:** Allows employees to temporarily change work style and/or location to which they are assigned to provide childcare or nursing care or to accompany a spouse who has been transferred and provide support for long-term career advancement
- ▶ **Job Return Program:** Enables people with at least one year of service who have left employment at SECOM for unavoidable reasons such as childbirth, childcare or nursing care, or to advance their careers by going back to school, studying abroad or changing jobs, to apply to return to work

Percentage of Annual Paid Vacation Days Taken by Employees



*Scope of reporting: SECOM CO., LTD. (Years ended March 31)

Employees Taking Childcare Leave



*Scope of reporting: SECOM CO., LTD. (Years ended March 31)

Employee engagement
Initiatives to boost employee job satisfaction, including raising base salaries for the third consecutive year and granting restricted stock, together with the exchange of opinions between the SECOM Employee Union Federation and executives, are facilitating the creation of employee-friendly workplaces.

We seek to achieve sustainable growth as a strong, flexible organization by creating a virtuous circle, recognizing the importance of enabling employees to demonstrate their full potential, which helps raise the quality of the services and products we provide, thereby enhancing customer satisfaction and earning the trust of society, which in turn increases employee job satisfaction. Since 2016, we have conducted an annual anonymous employee job satisfaction survey. In the fiscal year ended March 31, 2024, the response rate for this survey was 74.2%.

With the aim of both boosting employee job satisfaction and expanding our operations, we granted shares of common stock as restricted stock compensation to approximately 20,000 SECOM Group employees in March 2024. We have also introduced an incentive system as part of our employee shareholders association.

Reflecting our fundamental belief that the growth of our employees is inextricably linked to our prosperity, we signed a union membership qualification agreement with the SECOM Employee Union Federation, which was established in 1964, and became a union shop, meaning that in principle employees automatically become union members when they are hired. As a consequence, our union membership rate for eligible employees is 100%. Management representatives, including the President and Representative Director, meet monthly with SECOM Employee Union Federation to exchange views. Discussions are also held at SECOM Group companies and branches across Japan to address issues such as improving workplace environments and operating procedures and ensuring occupational health and safety. SECOM Employee Union Federation also exchanges views with management through meetings with employees on organizational culture and the SECOM Employee Central Council.

Efforts to renovate control centers helps create more comfortable work environments

Staff at SECOM control centers provide around-the-clock monitoring of the premises of on-line security systems subscribers. We are currently renovating our control centers across Japan to create work environments that enable staff to work in greater comfort, whether during the day or at night. With the number of female employees working as control center staff increasing, we are creating staff rooms exclusively for women. As a result, both work spaces and spaces used for breaks and naps are now cheerful and relaxing. We have heard from multiple staff members that the renovations help them to feel more rested and refreshed.



Renovated control center break room (left) and staff room (right)

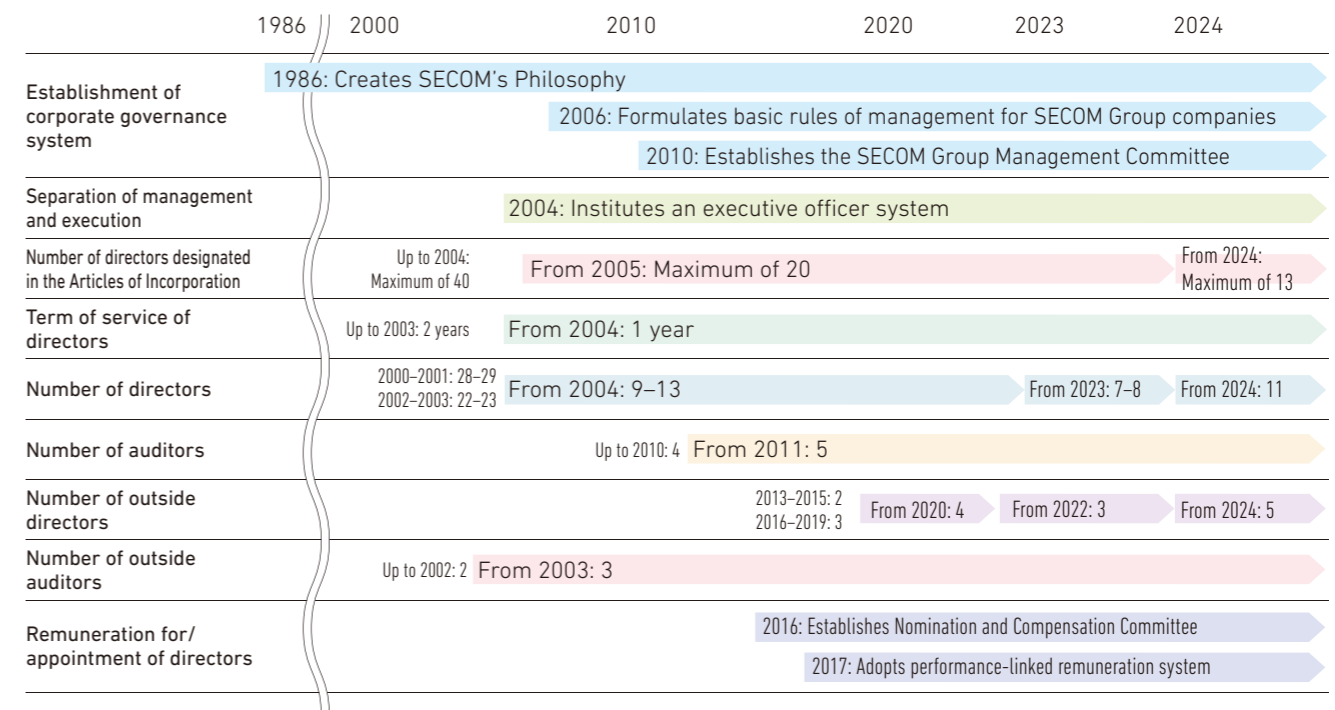
G GOVERNANCE

SECOM's approach

To fulfill our responsibilities to stakeholders, we work continuously to strengthen corporate governance by enhancing transparency, ensuring fairness, expediting decision making and guaranteeing the independent oversight of management, which we have positioned as key management challenges.

Corporate governance
In addition to providing independent oversight of the management team's performance and ensuring the appropriate execution of business activities, we are promoting effective disclosure to stakeholders.

Initiatives to Strengthen Corporate Governance



Basic philosophy

With the aim of earning the continued support of our customers, shareholders, business partners, employees, local communities, and other stakeholders as a company with value that is worthy of trust, we strive to maximize corporate and shareholder value over the medium to long term and recognize the importance of fulfilling our responsibilities as a corporate citizen and achieving sustainable growth and development.

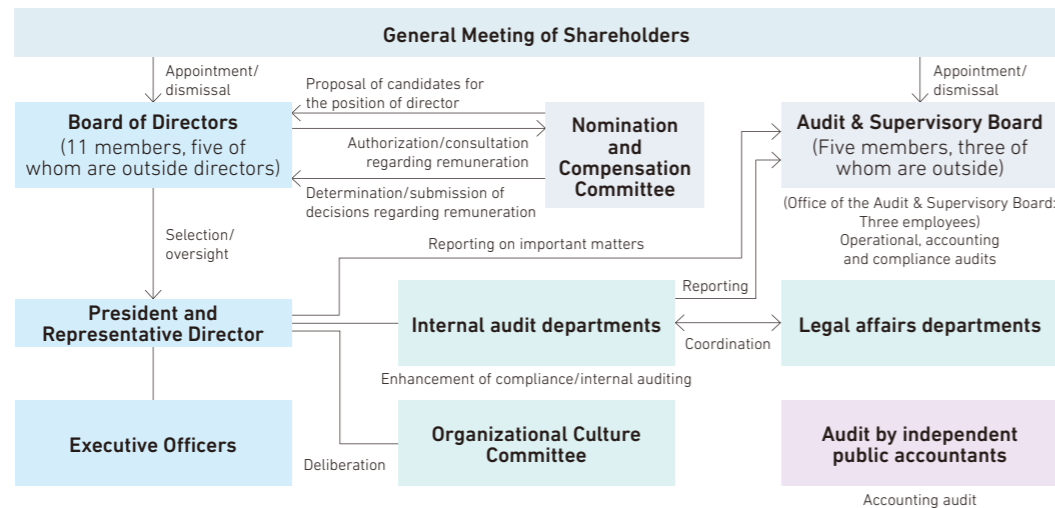
In line with Japan's Corporate Governance Code and at the direction of top management, outside members of the Board of Directors and Audit & Supervisory Board provide independent oversight of the management team's performance in a manner that takes into account the interest of stakeholders and ensures the appropriate execution of business activities. We also work actively to disclose information to shareholders and other stakeholders and strengthen our compliance framework.

Outline of corporate governance system (as of June 25, 2024)

We are a company with an Audit & Supervisory Board. The Board of Directors determines overall management and business execution policies. Executive officers, led by the President and Representative Director, are responsible for business execution. The Audit & Supervisory Board, which includes three outside members, and the Board of Directors coordinate with the internal audit departments to audit and supervise directors' and executive officers' discharge of their duties. Under our corporate governance system, five outside directors are also appointed to the Board of Directors to incorporate external perspectives in decision making and ensure the legality and objectivity of

management. We believe that this enables us to conduct independent oversight of management and ensure appropriate business execution. The Nomination and Compensation Committee has been established as a discretionary committee of the Board of Directors. This committee, which is responsible for presenting candidates for the position of director to the Board of Directors and for ensuring the appropriateness of remuneration for directors, comprises five directors, three of whom are outside. Beginning in June 2023, an outside director has been appointed committee chairperson, a move aimed at improving objectivity and transparency.

Corporate Governance Organization



Board of Directors
The Board of Directors comprises 11 directors and in principle meets monthly, with five members of the Audit & Supervisory Board also in attendance. The Board of Directors is responsible for deciding overall management policies and business execution policies, as well as for monitoring the performance of duties by directors, and strives to promote the active exchange of opinions with the aim of ensuring effective and swift decision making. Six of the 11 members are responsible for business execution, with the remaining five members (outside directors) having no involvement.

Executive Officers
We have adopted an executive officers system, whereby the Board of Directors is responsible for decision making and the executive officers are responsible for business execution. This was done with the aim of strengthening field divisions and enhancing customer service systems by clarifying responsibilities and authority and expediting business execution. We currently have 32 executive officers, six of whom are also directors.

Audit & Supervisory Board
The Audit & Supervisory Board comprises five members, two of whom are full-time and three of whom are outside. In principle, the Audit & Supervisory Board meets monthly. Individuals well-versed in our businesses and internal affairs, as well as in finance and accounting, are appointed to serve as full-time members, while individuals who are independent of the management team, have extensive knowledge of corporate management, legal, financial and other matters and are capable of providing effective oversight and monitoring of the management team, are appointed to serve as outside members.

Nomination of candidates for appointment to the Board of Directors and the Audit & Supervisory Board

In accordance with the policy for appointment set forth by the Board of Directors, candidates for appointment to the Board of Directors and the Audit & Supervisory Board are decided through deliberation by the Board of Directors.

Candidates for the Board of Directors are nominated from among candidates determined through discussion by the Nomination and Compensation Committee, the majority of members and the chairperson of which are outside directors. Candidates for the Audit & Supervisory Board are nominated with the agreement of the Audit & Supervisory Board.

Skills Matrix for SECOM Directors and Audit & Supervisory Board Members

Name and position	Corporate management	Finance and accounting	Legal affairs, compliance and risk management	Sustainability and ESG	Security services industry	Global business	ICT and technology
Yasuyuki Yoshida President and Representative Director	●	●	●		●		
Tatsuro Fuse Senior Executive Director	●			●	●	●	
Yoshinori Yamanaka Executive Director	●			●	●	●	
Seiya Nagao Executive Director	●	●	●		●		
Takashi Nakada Director	●				●	●	●
Makoto Inaba Director	●		●		●		
Takaharu Hirose Outside Director	●			●		●	●
Hajime Watanabe Outside Director	●	●	●				
Miri Hara Outside Director	●	●		●			
Kosuke Matsuzaki Outside Director	●			●		●	●
Yukari Suzuki Outside Director	●			●		●	
Takayuki Ito Audit & Supervisory Board Member	●	●	●		●		
Yasuhiro Tsuji Audit & Supervisory Board Member	●		●		●	●	
Hideki Kato Outside Audit & Supervisory Board Member	●		●	●		●	
Makoto Yasuda Outside Audit & Supervisory Board Member	●	●				●	
Setsuo Tanaka Outside Audit & Supervisory Board Member	●		●		●		

Notes: 1. A maximum of four areas of knowledge and experience are indicated for each Director and Audit & Supervisory Board member.
2. This skills matrix does not represent the entire breadth of knowledge and experience of each Director and Audit & Supervisory Board member.

Internal audits and cooperation among board members and offices

Audits by Audit & Supervisory Board members

Audit & Supervisory Board members attend important meetings, including those of the Board of Directors, to exchange opinions on overall corporate management, as well as to collect reports on the discharge of duties from directors and other pertinent individuals and conduct audits focused on the possible occurrence of violations of laws, regulations, the Articles of Incorporation and/or shareholders' interests. The Audit & Supervisory Board also conducts audits of our overall business activities, as well as those of subsidiaries and affiliates, in accordance with annual audit plans.

Principal Activities of Audit & Supervisory Board Members in the Fiscal Year Ended March 31, 2024

Participation in meetings of the Board of Directors	98.3%
Participation in meetings of the Audit & Supervisory Board	98.5%
Information sessions with directors and other executives of the parent company, subsidiaries and affiliated companies	62 times
Audits conducted by Audit & Supervisory Board members at remote locations	87 locations

Regular meetings between the President and Representative Director and Audit & Supervisory Board members

Audit & Supervisory Board members hold regular (monthly) meetings with the President and Representative Director, during which they exchange opinions on important management-related issues, including the results of audits, to ensure common understanding.

Meetings between Audit & Supervisory Board members and accounting auditors

Audit & Supervisory Board members meet regularly (six times annually) with the accounting auditors, as well as additional meetings as necessary, for the purpose of exchanging opinions and information. Audit & Supervisory Board members receive explanations and exchange opinions regarding annual audit plans and audit results. If necessary, Audit & Supervisory Board members also act as observers during audits conducted by the accounting auditors at remote locations and during audit reviews (15 times in the fiscal year ended March 31, 2024).

Collaboration with internal audit and other departments

Audit & Supervisory Board members hold regular (monthly) meetings with the Internal Audit and Compliance Department, during which they receive reports and exchange opinions on the results of internal audits and, as appropriate, receive reports on inspections of subsidiaries from and exchange opinions and information with the Group Governance Department. If necessary, to ensure the efficiency of audits, Audit & Supervisory Board members ask the internal audit departments to conduct investigations.

Representative Director, among others, and the Audit & Supervisory Board members). This ensures that Audit & Supervisory Board members' objective and neutral opinions are reflected promptly in operations. As a consequence, we believe that we fulfill our responsibility to conduct independent oversight of management performance in a manner that takes into account the interests of stakeholders.

We appoint outside directors and outside Audit & Supervisory Board members on the basis of pertinent requirements set forth in Japan's Companies Act and the standards concerning independence set forth by financial instruments exchanges.

Outside directors and outside Audit & Supervisory Board members

We appoint individuals who have extensive knowledge of corporate management to serve as outside directors, thereby incorporating a broad range of external perspectives not constrained by the internal affairs. We thus have a structure that ensures the transparency and objectivity of management.

We appoint Audit & Supervisory Board members who have a wealth of knowledge of corporate management, legal, financial and other matters (including three outside members, who are essentially independent of the management team). We have also established an auditing organization (including the Office of the Audit & Supervisory Board) that operates independent of day-to-day operations and a process (including periodic meetings between the President and

Outside Directors and Outside Audit & Supervisory Board Members (Fiscal year ended March 31, 2024)

	Name	Principal activities	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings
Outside directors	Takaharu Hirose	Mr. Hirose offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained in the foundation and management of multiple enterprises and industry organizations. In addition, he participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, he performs his supervisory function as an outside director adequately.	12	—
	Hajime Watanabe	Mr. Watanabe offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained through his many years of experience in corporate management. In addition, he participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, he performs his supervisory function as an outside director adequately.	12	—
	Miri Hara	Ms. Hara offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained as a corporate officer and a tax accountant. In addition, she participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, she performs her supervisory function as an outside director adequately.	12	—
Outside Audit & Supervisory Board members	Hideki Kato	Mr. Kato offers advice and recommendations at meetings of the Board of Directors, among others, based on experience gained through the execution of national policies and insights gained as a result of his accomplishments at a policy think tank. He also asks questions and states opinions to clarify issues.	12	13
	Makoto Yasuda	Mr. Yasuda offers advice and recommendations at meetings of the Board of Directors, among others, based on experience and insights gained in the management of a global enterprise. He also asks questions and states opinions to clarify issues.	12	13
	Setsuo Tanaka	Mr. Tanaka offers advice and recommendations at meetings of the Board of Directors, among others, based on experience and insights gained through the holding of important positions in government. He also asks questions and states opinions to clarify issues.	12	13

Note: Information on attendance at meetings of the Board of Directors and Audit & Supervisory Board is for the fiscal year ended March 31, 2024.

Philosophy regarding the diversity and size of the Board of Directors

The Board of Directors consists of internal directors, who are familiar with SECOM's businesses and have diverse knowledge, and several outside directors with extensive insight in corporate management and other areas. Diversity in terms of gender and international experience is ensured

and the number of members is appropriate to facilitate discussions and resolutions of substance. We will continue working to enhance the effectiveness of the Board of Directors by promoting further diversity and ensuring the appropriate size of the Board.

Remuneration for directors and Audit & Supervisory Board members

Remuneration for directors consists of pecuniary remuneration (fixed monthly salary and bonuses) and share-based remuneration (shares with restrictions on transfer). Outside directors receive a fixed salary only. The fixed monthly salary portion of pecuniary remuneration paid to directors and the share-based remuneration paid to directors (excluding outside directors) are determined comprehensively in consideration of job responsibilities and years of service, as well as the performance of the Company. Bonuses paid to directors (excluding outside directors) are determined with comprehensive consideration given to consolidated operating

profit, earnings per share and employee engagement (employee satisfaction), which are key management targets. The relative proportion of fixed monthly salary, bonuses, and shared-based remuneration paid to directors (excluding outside directors) is approximately 65:15:20.

Remuneration for Audit & Supervisory Board members comprises pecuniary remuneration only and is determined in amounts commensurate with job responsibilities, through deliberation of the Audit & Supervisory Board set within the maximum limit resolved at the Ordinary General Meeting of Shareholders (¥90 million/year).

Remuneration for Directors and Audit & Supervisory Board Members in the Fiscal Year Ended March 31, 2024

Position	Total remuneration (Millions of yen)	Breakdown of total remuneration (Millions of yen)				Number of entitled individuals
		Basic remuneration		Performance-linked remuneration		
		Fixed salary	Stock options	Bonus	Restricted stock	
Directors (excluding outside directors)	278	224	—	40	13	6
Audit & Supervisory Board members (excluding outside members)	47	47	—	—	—	3
Outside directors	30	30	—	—	—	3
Outside Audit & Supervisory Board members	28	28	—	—	—	3
Total	385	331	—	40	13	15

Note: The Company's target for consolidated operating profit in the fiscal year ended March 31, 2024, was ¥132,200 million. The actual result was ¥140,658 million. (Calculated based on Japanese GAAP)

Evaluation of the Board of Directors' effectiveness

Evaluation process

The effectiveness of the Board of Directors is evaluated annually. In the period under review, a survey was conducted in January 2024 and responses were collated by the Board's secretariat in mid-February. Findings were subsequently discussed by the Board.

Summary of findings

Composition of the Board of Directors

The opinion was expressed that the appointment of a female director and other measures have ensured the diversity of the Board of Directors, that the balance between execution and oversight is suitable and the Board is an appropriate size to ensure active discussion and swift decision making. Constructive views were also expressed regarding further diversification of the Board's composition, including by increasing the number of female directors and appointing directors with various backgrounds.

Administration of Board of Directors' Meetings

The Board of Directors meets once monthly in principle to enable swift discussion and resolution of critical matters. To ensure that directors and Audit & Supervisory Board members are able to make appropriate decisions, matters deemed particularly critical are discussed by the Board of Directors prior to resolution and a progress report on those matters is made to the Board of Directors subsequent to resolution. Both outside directors and outside Audit & Supervisory Board members actively made comments and

Status of strategic shareholdings

Policy on shareholdings

We may, after comprehensive examination, acquire and/or hold listed shares for the purpose of collaboration, capital or business tie-up, business incubation, or the maintenance or expansion of transactions involving our services and products. If as the result of an assessment, the appropriateness of such a holding is judged insufficient, it will be targeted for reduction through the sale of shares.

expressed the opinion that the atmosphere was conducive to free and open discussion. The view was also expressed that improvements in the process for advance discussion and reporting on ongoing progress, the explaining and reporting of various matters, and the prior delivery of pertinent materials to the Board of Directors, had been seen since the previous survey. Various opinions were also expressed, including that opportunities should be created for free debate, thereby invigorating discussion, as well as for further communication with outside directors.

Oversight function of the Board of Directors

Matters handled by the Board of Directors were selected appropriately, based on the Rules of the Board of Directors, and the opinion was expressed that discussions on management policies and corporate philosophy were adequate. In addition, constructive views were expressed regarding concrete discussions on the progress of discussions, currently being undertaken from a medium- to long-term perspective, on the general direction of management strategies in light of changes in the operating environment, as well as DX initiatives, human resources strategies, governance and risks.

Future initiatives

To further enhance corporate value and realize an even more effective Board of Directors, we will continue to promote efforts to improve the Board's functions based on evaluations and opinions expressed.

Verification of the rationality of shareholdings

The Board of Directors assesses the benefits and risks arising from each holding annually. In addition to confirming the status of transactions with, as well as the growth potential and profitability of, each investee company, based on financial condition and operating performance, we comprehensively examine the appropriateness of the holding and determine whether it should be maintained.

A Conversation Among Outside Directors

Three of SECOM's outside directors sat down for a conversation, reflecting on Board of Directors meetings in the fiscal year ended March 31, 2024, and exchanging opinions on key events and core themes of the period, with a view to reinforcing corporate governance.



Miri Hara
Outside Director

Member of the Nomination and Compensation Committee

Principal concurrent positions held at other organizations:

Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc.
Outside Director, Nippon Sanso Holdings Corporation

Takaharu Hirose
Outside Director

Chairperson of the Nomination and Compensation Committee

Principal concurrent position held at another organization:

Chairman and Representative Director, Monitas, Inc.

Hajime Watanabe
Outside Director

Member of the Nomination and Compensation Committee

Principal concurrent position held at another organization:

Chairman and Representative Director, Watanabe Pipe Co., Ltd.

Hopes for the new president going forward

Hirose In April 2024, Yasuyuki Yoshida assumed the presidency of SECOM, with the whole handover of the reins going very smoothly. Since then, he has demonstrated unique competence in his new role while remaining true to SECOM's Philosophy, created by late founder Makoto Iida, and the corporate culture long cultivated by the Company.

Hara SECOM's Philosophy emphasizes a refusal to be content with the status quo, that is, a determination to provide innovative services and systems that challenge accepted norms. I believe that Mr. Yoshida has the key qualities needed in a chief executive—namely, character, acumen and leadership skills—so I expect to see him fully exercise his potential to promote effective management

while remaining steadfast in refusing to be satisfied with the existing state of affairs.

Watanabe One thing I look forward to is seeing him galvanize the Company's human resources. Progress has already been made, including the replacement of members of the Board of Directors, and I advised him that this is a chance to effect positive change and drive SECOM ahead by promoting organizational rejuvenation and bold appointments, among others.

Hirose The SECOM of today was built by Makoto Iida, who was an outstanding businessman. However, going forward it will be necessary to realize an even more effective organization by depending not only on the ability of a single

leader but also on the creation of a team that rallies the capabilities of a wide range of individuals. Mr. Yoshida has a

good sense of balance and I expect him to demonstrate tremendous competence working as part of such a team.

Enlivening discussions at meetings of the Board of Directors

Watanabe Speaking of teamwork, there have also been changes in the composition of the Board of Directors. We now have younger directors than we did in the past. The number of outside directors has increased from three to five, two of whom are women, up from one. The addition of an outside director with a global business perspective is another encouraging development given the Company's plans for expanding global operations.

Hirose I do hope that having a greater number of directors enhances teamwork, but there's always a risk that greater numbers will make it difficult for each individual to express their views. Looking ahead, we may need to create opportunities for more in-depth discussions by, for example, further probing particular themes.

Hara The mood of meetings has always been such that everyone feels able to speak freely, but I trust that the new directors will facilitate far-reaching discussions from new and different perspectives.

Watanabe Society continues to evolve at a dizzying pace, but I think SECOM has the ability to change at least as quickly. This is also what employees want, I believe, so I think it's important for us to encourage more active discussion at Board of Directors' meetings to further expedite transformation.

Hara Management agility is imperative. Just as an example, I regularly participate in roundtable discussions with female employees in various roles in the Company. In one of these discussions, the view was expressed that internal procedural manuals are too complicated and a cause of considerable anxiety, which I reported at the Board of Directors meeting in August 2023. A procedural manual improvement team was immediately established and six months later a system was launched for managing and enhancing the usability of manuals. Feedback from the front lines has been positive, with people saying that administrative procedures have become much more straightforward. It is my hope that the organization continues to be able to respond equally swiftly to whatever issues arise.

SECOM Group Road Map 2027: Expectations and challenges

Hirose SECOM employees are working as one to meet the targets of the SECOM Group Road Map 2027, and we anticipate significant growth in the fiscal year ending March 31, 2028. That said, the desire to ensure steady growth tends to engender an emphasis on stability, so I think it's important for the new president to demonstrate leadership by showing a willingness to take chances and make bold decisions.

Watanabe SECOM has a diverse business portfolio, but I think it is possible to integrate its businesses more organically to expand business opportunities. Achieving the targets of the SECOM Group Road Map 2027 is contingent on the Company's ability to further leverage its comprehensive capabilities. In the area of on-line security systems, the core of SECOM's security services business, the Company has approximately 2,600 emergency depots across Japan with staff onsite around the clock. While this is certainly costly, it is what enables SECOM to provide its distinctive emergency response services. Even if the Company steps up its deployment of technology to bolster the efficiency of these services, full mechanization and automation will be

impossible. We thus recognize the need to boost capacity by invigorating workplaces and enhancing front-line capabilities. SECOM is a key component of the larger social infrastructure. As such, I feel it is important to ensure it is an organization for which people feel proud to work.

Hara The Company continues to promote the globalization of its operations, and in terms of human capital management I look forward to it also prioritizing the empowerment of women in the years ahead. The number of women in management positions has risen steadily in recent years, but further, dramatic measures may still be necessary to ensure female employees can enjoy long, active careers.

Hirose I commend SECOM for implementing forward-looking measures that benefit employees, including implementing three consecutive annual base salary increases and introducing a restricted stock compensation plan for executives and employees. I hope the Company continues to accelerate its efforts to drive corporate growth by encouraging employee growth.

Directors, Audit & Supervisory Board Members and Executive Officers

(As of August 31, 2024)

Directors



Yasuyuki Yoshida President and Representative Director
 Tatsuro Fuse Senior Executive Director
 Yoshinori Yamanaka Executive Director
 Seiya Nagao Executive Director
 Takashi Nakada Director
 Makoto Inaba Director



Takaharu Hirose Outside Director
 Hajime Watanabe Outside Director
 Miri Hara Outside Director
 Kosuke Matsuzaki Outside Director
 Yukari Suzuki Outside Director

Audit & Supervisory Board Members



Takayuki Ito Audit and Supervisory Board Member
 Yasuhiro Tsuji Audit and Supervisory Board Member
 Hideki Kato Outside Audit and Supervisory Board Member
 Makoto Yasuda Outside Audit and Supervisory Board Member
 Setsuo Tanaka Outside Audit and Supervisory Board Member

Executive Team

Directors

Yasuyuki Yoshida President and Representative Director
 Tatsuro Fuse Senior Executive Director
 Yoshinori Yamanaka Executive Director
 Seiya Nagao Executive Director
 Takashi Nakada Director
 Makoto Inaba Director

Executive Officers

Tatsuya Izumida Managing Executive Officer
 Osamu Ueda Managing Executive Officer
 Yoichi Sugimoto Managing Executive Officer
 Sumiyuki Fukumitsu Managing Executive Officer
 Osamu Nagai Managing Executive Officer
 Sadahiro Sato Managing Executive Officer
 Yasufumi Kuwahara Executive Officer
 Noriyuki Fukuoka Executive Officer
 Takeshi Akagi Executive Officer
 Noriyuki Uematsu Executive Officer
 Atsushi Komatsu Executive Officer
 Takehiko Senda Executive Officer
 Toshinori Sugimoto Executive Officer
 Satoshi Takizawa Executive Officer
 Izumi Sawamoto Executive Officer
 Akira Kubota Executive Officer
 Masahiko Naito Executive Officer
 Shinji Kiren Executive Officer
 Minoru Takezawa Executive Officer
 Yasunori Terai Executive Officer
 Hiroaki Ibumi Executive Officer
 Sadao Tanaka Executive Officer
 Yuji Mesaki Executive Officer
 Yoichi Sudo Executive Officer

Compliance

We strive to improve compliance by promoting strict adherence to the SECOM Group Code of Employee Conduct.

Basic philosophy

We provide security services, the objective of which is to protect the lives and assets of our customers from legal violations or malfeasance by third parties. As such, we recognize that it is essential that we conduct our duties in good faith and in a manner deserving of the trust of our customers and society. A key feature of the security services business is that the employees who provide services are in a position of regulating others. Because they are in this position of regulating others, employees must also conduct themselves in a disciplined manner, discharging their duties in good faith and in compliance with the letter and the spirit of the law, to earn the trust of customers, which is critical to the security services business. Since our establishment, we have viewed compliance as a matter of utmost importance. Accordingly, our basic policy has always been to promote

systematic measures to ensure all employees' unqualified compliance with the letter and spirit of the law. This has earned us the trust of a wide range of customers and supported steady growth.

The SECOM Group Code of Employee Conduct prescribes specific standards for employee behavior and ethical principles that must be observed by all executives and employees in their relationships with stakeholders, including communities, customers, and business partners. The code, which is also published in the form of a pocket-sized guide, thus serves as a universal and timeless template for everyone in the SECOM family. Standards govern, among others, deterring relations with antisocial elements, prohibiting of corruption and bribery, and complying with related laws.

System for promotion and administration

We recognize compliance as not only the observance of laws and regulations, and of SECOM's Articles of Incorporation, but also the foundation of the stringent management of our day-to-day operations. Individual employees are responsible for promoting adherence to the SECOM Group Code of Employee Conduct. Managers are charged with providing guidance regarding the SECOM Group Code of Employee Conduct, including standards governing compliance, and supervising the actions of employees to ensure compliance. Executive officers are responsible for overseeing the departments they supervise, while the President and Representative Director provides control for the Company as a whole.

Once annually, executive officers analyze and evaluate business and malfeasance risks in the business for which they are responsible and report their findings to the President and Representative Director and the members of the Audit & Supervisory Board, as well as review established internal rules and various manuals and make revisions as necessary.

The duties of the internal audit departments, i.e., the Internal Audit and Compliance Department and the Group Governance Department, include inspecting each group, department, and subsidiary, providing guidance on addressing matters requiring corrective action, and reporting inspection results to the President and Representative Director, as well as to relevant executive officers.

SECOM AI Ethics Charter

With the rapid proliferation of AI-based services and mechanisms, it is important for companies to commit themselves to the ethical and proper use of these technologies. We have formulated the SECOM AI Ethics Charter to establish guidelines for the use of AI. In accordance with this charter, we continue to develop and extend advanced services that customers can use with peace of mind.

Whistle-blowing system

The SECOM Group Code of Employee Conduct requires employees to report to their superior should they discover that an employee, executive, or individual affiliated with a subcontractor has engaged in or appears likely to engage in an action that violates the code or could damage the credibility of the Company. In the event that no corrective measures are taken after a report has been made, or if circumstances make reporting to a supervisor difficult, employees may report directly to the Internal Audit and Compliance Department via the Hot Helpline, to a lawyer via the Hot Helpline's external help desk, or to the Human Resources Department and Internal Audit and Compliance Department via the Harassment Help Desk. Executives and employees of subsidiaries may report violations via the Group Head Office Helpline directly to the Group Governance Department.

Whistle-blower's names and the content of whistle-blower reports are kept confidential. As long as a report has been made in good faith, whistle-blowers are protected from any adverse impacts even if the report is not borne out by the subsequent investigation. Pertinent executive officers are obliged to swiftly assess the results of investigations and take appropriate corrective measures to resolve the situation. At the direction of said executive officers, whistle-blowers are notified confidentially of the nature and outcome of investigations.

Whistle-Blower Reports Received

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Number of reports	92	153	171

Note: Numbers represent the actual number of reports received across the SECOM Group.

Organizational Culture Committee

The Organizational Culture Committee is a standing committee chaired by the President and Representative Director that meets periodically or as necessary at the direction of the President and Representative Director and examines important organizational culture-related issues and determines important official commendations and punishments.

The Organizational Culture Committee also deliberates on matters related to compliance with and the administration of the SECOM Group Code of Employee Conduct that have

been reported to the President and Representative Director by the Internal Audit and Compliance Department or the executive officer in charge. If necessary, the committee examines proposals for modifying the system for administering compliance or amending the SECOM Group Code of Employee Conduct. All such proposals must be deliberated by the Organizational Culture Committee, reviewed by Audit & Supervisory Board members and approved by the Board of Directors.

Global compliance training

We have translated SECOM's Philosophy and the SECOM Group Code of Employee Conduct, which outlines the basic concept and specific standards for employee behavior, into multiple different languages and work to advance awareness

across the global SECOM Group. We also provide training to the senior management of overseas Group companies on key aspects of compliance, including observance of laws and regulations, the prevention of bribery, and internal controls.

Information security

The establishment of the SECOM Group Information Security Basic Policy and the creation and operation of a robust information security system enable us to provide services that can be used with peace of mind.

Policy and system for promoting information security

With the rapid spread of IT, information security risks have risen significantly, as can be seen from the increasing sophistication of cyber attacks. Any leaks of personal or confidential information entrusted to us by a customer have the potential to seriously hinder our ability to provide security services, damage or adversely impact the customer, and result in the forfeiture of our brand image and reputation for reliability. Accordingly, we have created and maintain a robust information security system.

We have also established the SECOM Group Information Security Basic Policy to guide our efforts to strengthen our

information security. When we outsource work, we enter into appropriate contracts and provide guidance and supervision to subcontractors. We have put an executive officer in charge of information security for the Group as a whole. In addition, executive officers in charge of each business have been made responsible for information security-related matters for their particular business, as well as for collaborating with the executive officer in charge of information security to report on issues and presenting proposals to the President and Representative Director.

Reducing information security risk

We have implemented powerful security measures to reduce risks associated with information leaks and cyber attacks. We also work to ensure that all employees of the SECOM Group, regardless of employment format, comply fully with our information security rules, which include rules governing the use of personal computers and cellular telephones that must be protected for confidentiality reasons, the storage and carrying of information, and steps to be taken when an information security-related incident arises, or a violation of any other information security rule is discovered. Information

system controls and audits are the responsibility of the department in charge of information security and are conducted in accordance with Japan's Information Security Management System (ISMS) standards under the guidance of the executive officer in charge of information security. As well as conducting regular assessments of vulnerability to external cyber attack risks, we monitor information systems around the clock to ensure we are prepared to respond to risks, including those related to large-scale disasters and cyber attacks.

Protecting personal information

The SECOM Group Code of Employee Conduct states that all information obtained in the course of business is confidential and must not be leaked, a stipulation with which all executives and employees must strictly comply. We strive to prevent leakage, loss, and damage through employee training and efforts to promote awareness regarding the treatment of personal information, as well as by ensuring stringent management.

All employees are required to participate in e-learning programs and tests annually to confirm understanding of and adherence to basic procedures and rules. The internal audit departments conduct periodic inspections of the handling of personal information, data management, and access control at each SECOM Group site. In addition, we have established a contact point for queries regarding the handling of personal

information and for complaints and consultations regarding our system for managing and protecting personal information, facilitating quick and appropriate responses. SECOM and Secom Trust Systems, among others, have earned certification under Japan's Privacy Mark, which is granted to organizations that take appropriate measures to protect personal information.

Thorough information security (Year ended March 31, 2024)

- Annual e-learning and testing to confirm understanding and adherence (participation: 100% of employees)
- Voluntary audits (implementation: 100% of sites)
- No leaks of information

*Scope of reporting: SECOM CO., LTD.



E ENVIRONMENT

SDG 7: AFFORDABLE AND CLEAN ENERGY
 SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE
 SDG 11: SUSTAINABLE CITIES AND COMMUNITIES
 SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
 SDG 13: CLIMATE ACTION
 SDG 14: LIFE BELOW WATER
 SDG 15: LIFE ON LAND

SECOM's approach

We recognize that preservation of the global environment is critical to the realization of safe and comfortable lifestyles, and we deploy environmental management systems to ensure consideration for the environment across the supply chain.

Environmental management In line with the SECOM Group Environmental Policy, we advance a variety of environmental conservation initiatives, evaluating and managing the progress thereof against key environmental performance indicators.

In October 2022, we formulated the SECOM Group Environmental Policy, substantially revising our existing environmental policy, and clarified our basic stance of contributing to the resolution of global environmental issues through our business activities. We are also promoting

dissemination initiatives in-house to heighten employees' awareness of both our new policy and our environmental conservation initiatives. We evaluate and manage the progress of these initiatives against seven major environmental performance indicators.

Environmental performance indicators	
1. Greenhouse gas emissions (Scopes 1 and 2)	Scope 1: Direct emissions (including those from the combustion of gasoline by vehicles, use of diesel and use of kerosene) Scope 2: Indirect emissions (including those from the consumption of purchased electric power, cold and hot water, and steam) Scope 3: Other indirect emissions (those not covered in Scope 1 or 2, from the activities of other companies up and down the supply chain)
2. Greenhouse gas emissions across the supply chain (Scope 3)	
3. Reduction of greenhouse gas emissions as against base year	
4. CO ₂ emissions per unit of production (emissions intensity)	
5. Electricity used and percentage thereof accounted for by that generated using renewable energy	
6. Consumption of fuel by vehicles and percentage of vehicles replaced by electric models	
7. Resources with market value/recycled resources and industrial waste	

Addressing climate change Recognizing the risks posed to our operations by climate change, we are actively working to achieve carbon neutrality by 2045.

Initiatives to fight climate change

The Risk Committee, which is chaired by the director in charge of risk management and consists of the heads of major departments at SECOM headquarters, is charged with grasping Groupwide risks, including those related to climate change, as well as with considering countermeasures. Risks identified based on the findings of Groupwide surveys are assessed from multiple perspectives, including scope of impact, scale, estimated monetary cost of damage, urgency and frequency of occurrence, and countermeasures are formulated. Risk analysis and assessment results are reported to the President and Representative Director and matters of high importance are further reported to the Board of Directors.

Addressing climate change is a global challenge. At the same time, it is an issue that is crucial to our ability to ensure the stable and continuous provision of security, data center, medical and other services. This recognition prompted us to declare our support for the TCFD in 2019. We subsequently conducted an assessment in line with the TCFD's recommendations through which we identified the

following risks and opportunities related to climate change as having the potential to impact our business activities.

The Sustainability Promotion Office plays a central role in assessing climate change-related risks and opportunities and proposing responses. We continue to collect and examine a broad range of information on medium- to long-term risks and opportunities, including on climate trends and the outlook for carbon taxes and emissions regulations, from the SBTi, the RE100, the TCFD and other sources.

The SECOM Group Sustainability Meeting, which is attended by representatives of Group companies, is held as necessary to share information on climate change-related risks, policies for reducing greenhouse gas emissions and related issues, as well as to promote initiatives aimed at meeting our target of achieving carbon neutrality by 2045.

Note: For more information on SECOM's climate change-related medium- and long-term targets, KGIs and KPIs, please see pages 18-19.



Principal Climate Change-Related Risks and Opportunities

	Key challenges	Potential financial impact
Physical risks	False readings by security equipment due to rising temperatures	High
	Suspension of operations due to heatstroke/infectious diseases affecting security guards	
	Flood damage to sites caused by rising sea levels	
	Delays in the procurement of security equipment due to damage suffered by suppliers	
Transition risks	Tightening of regulations through the imposition of carbon taxes, etc.	Moderate
	Obligation to adopt energy from renewable sources	
Opportunities	Increased demand for BCP services	High
	Increased demand for safety confirmation services	
	Increased demand for monitoring services	
	Increased demand for fire insurance	
	Increased demand for green data centers	

SECOM commences use of electricity generated using renewable power via virtual PPA

We recently concluded a virtual PPA with a major general trading company. A virtual PPA is a scheme between a renewable energy project owner and a buyer for selling the environmental value of renewable energy.

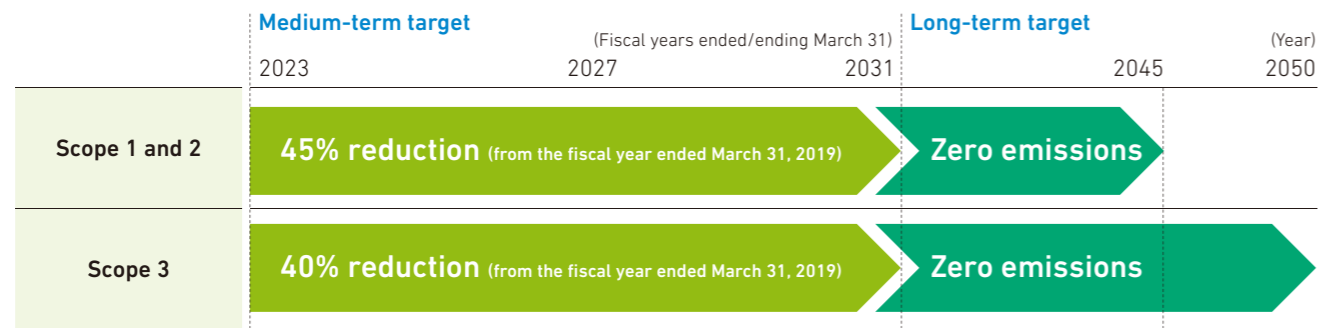
In March 2024, we became the first company in the security services industry in Japan* to use a virtual PPA to achieve the target of RE100, that is, 100% electricity generated using renewable energy. Capitalizing on a newly built solar power generating facility, we will expand our stable use of renewable energy over the long term, as well as reduce our CO₂ emissions and increase the renewable energy capacity of the grid.

* Based on SECOM research



Exclusive SECOM solar power generating facility

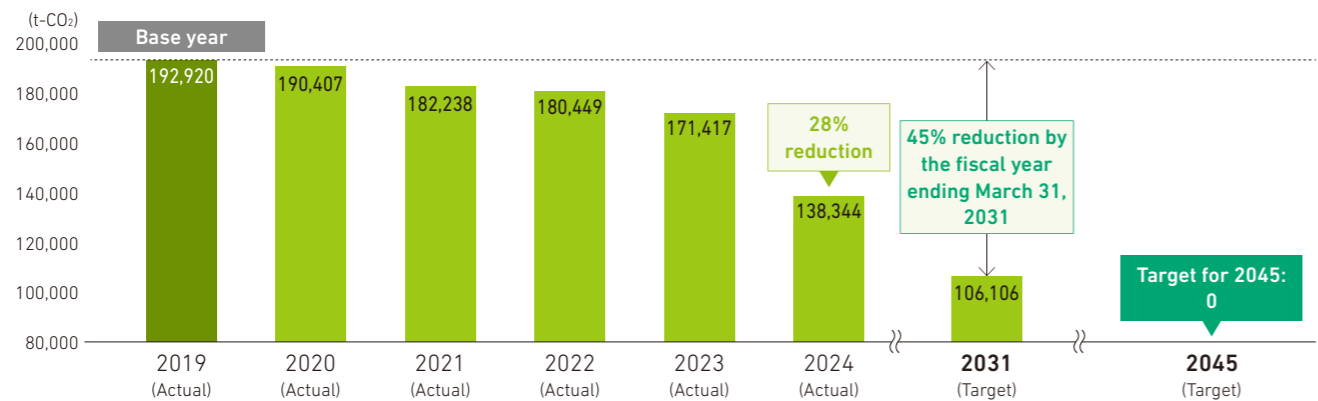
Medium- and Long-Term Targets for Reducing Greenhouse Gas Emissions



- These targets have been certified under the SBTi, an initiative that seeks to drive climate action in the private sector.
- We have also joined RE100, a global initiative, with the objective of transitioning fully to electricity generated using renewable energy for our operations by 2045.



Greenhouse Gas Emissions: Actual Results and Medium- to Long-term Targets



Note: The market-based method used to calculate emissions.

(Fiscal years ended/ending March 31, except for 2045)

We have prepared a report under Sustainability Accounting Standards Board (SASB) guidance for the Professional & Commercial Services sector, which most closely aligns with the business of SECOM. This report can be accessed from the IR section of our corporate website.

SECOM's SASB Index

Professional & Commercial Services Sector Sustainability Indicators

Topic	Code	Accounting Metric
Data Security	SV-PS-230a.1	Description of approach to identifying and addressing data security risks
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information
	SV-PS-230a.3	(1) Number of data breaches, (2) Percentage involving customers' confidential business information or personally identifiable information, (3) Number of customers affected
Workforce Diversity & Engagement	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees
	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees
	SV-PS-330a.3	Employee engagement as a percentage
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity

Topic	Code	Activity Metric	Data*
Activity metrics	SV-PS-000.A	Number of employees by: (1) full-time and part-time	(1) Full-time employees: 13,767
		(2) temporary	(2) Temporary employees: 1,159
		(3) contract	(3) Contract employees: 1,905
	SV-PS-000.B	Employee hours worked, percentage billable	Employee hours worked: 31,940,073 Percentage billable: N/A

* Data for "Activity metrics" is for SECOM CO., LTD., and is as of March 31, 2024, or for the fiscal year ended March 31, 2024. Because billing for electronic security services, our principal business, is based on fixed monthly fees, "percentage billable" is not applicable.

Financial Review

Operating Results

Overview

In the fiscal year ended March 31, 2024, SECOM CO., LTD. and its consolidated subsidiaries (collectively, "the Company") sought to provide high-quality services and products that respond to the diverse needs of customers in its core security services segment, as well as in its fire protection services, medical services, insurance services, geospatial information services, BPO and ICT services, and other services segments.

Consolidated net sales and operating revenue for the period under review amounted to ¥1,283.9 billion, up 4.6%, or ¥56.6 billion, from the previous fiscal year, reflecting, among others, an increase in sales and operating revenue in the area of electronic security services and contributions from Senon, which became a consolidated subsidiary in July 2022, and increases in the fire protection services segment, bolstered by firm orders, and the insurance services segment, owing to a higher gain on other-than-temporary impairment of investment securities. Operating income rose 6.5%, or ¥9.4 billion, to ¥155.0 billion, as the higher gain on other-than-temporary impairment of investment securities in the insurance services segment combined with a decline in losses due to natural disasters to push up operating income in the insurance services segment, while firm orders and systematic price adjustments underpinned results in the fire protection services segment. Net income attributable to SECOM CO., LTD., advanced 12.8%, or ¥14.3 billion, to ¥125.9 billion, thanks to the operating income gain, as well as other factors such as elevated gains on other-than-temporary impairment of investment securities and private equity investments.

Net Sales and Operating Revenue

Net sales and operating revenue for the period under review amounted to ¥1,283.9 billion, up 4.6%, or ¥56.6 billion, reflecting, among others, an increase in sales and operating revenue in the area of electronic security services and contributions from Senon, which became a consolidated subsidiary in July 2022, as well as increases in the fire protection services segment, bolstered by firm orders, and the insurance services segment, owing to a higher gain on other-than-temporary impairment of investment securities. (For further information, please see Segment Information below.)

Costs and Expenses

Total costs and expenses rose 4.4%, or ¥47.2 billion, to ¥1,128.9 billion. Cost of sales, at ¥891.1 billion, was up 3.4%, or ¥29.3 billion, and accounted for 69.4% of net sales and operating revenue, down from 70.2%. This decrease was despite higher personnel expenses, primarily in the security services segment, and was due mainly to a higher gain on other-than-temporary impairment of investment securities in the insurance services segment. Selling, general and administrative (SG&A) expenses rose 5.8%, or ¥12.5 billion, to ¥228.5 billion, and represented 17.8% of net sales and operating revenue, up from 17.6%. Impairment loss on long-lived assets climbed ¥1.8 billion, to ¥4.4 billion. Impairment loss on goodwill advanced ¥2.9 billion, to ¥4.4 billion, a consequence of the recognition of impairment

losses on goodwill in the security services segment overseas and the real estate leasing business in Japan. The Company also posted a ¥496 million loss on sales and disposal of fixed assets, net, compared with a ¥173 million gain in the preceding period.

Operating Income

Operating income rose 6.5%, or ¥9.4 billion, to ¥155.0 billion, as a higher gain on other-than-temporary impairment of investment securities and a decline in losses due to natural disasters pushed up operating income in the insurance services segment, while steady orders and systematic price adjustments underpinned a rise in the fire protection services segment. The operating margin was 12.1%, up from 11.9%. (For further information, please see Segment Information below.)

Other Income and Expenses

Other income rose ¥19.1 billion, to ¥39.1 billion. Other expenses advanced ¥772 million, to ¥3.4 billion. Net other income thus amounted to ¥35.7 billion, up ¥18.3 billion. This was attributable largely to elevated gains on other-than-temporary impairment of investment securities of ¥9.8 billion, up ¥9.3 billion, and on private equity investments of ¥18.2 billion, an increase of ¥6.4 billion, against a backdrop of firm stock market conditions.

Income Taxes

Income taxes amounted to ¥58.2 billion, an increase of ¥8.8 billion. This was equivalent to 30.5% of income from continuing operations before income taxes and equity in net income of affiliated companies, compared with 30.3% in the previous fiscal year.

Equity in Net Income of Affiliated Companies

Equity in net income of affiliated companies rose ¥1.8 billion, to ¥10.0 billion. This chiefly reflected higher equity in net income of such companies overseas.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests, at ¥16.6 billion, was up ¥6.5 billion, owing principally to higher operating income in the fire protection services and insurance services segments, and in the data center services component of the BPO and ICT services segment, as well as to an elevated gain on private equity investments.

Net Income Attributable to SECOM CO., LTD.

Net income attributable to SECOM CO., LTD., advanced 12.8%, or ¥14.3 billion, to ¥125.9 billion, and accounted for 9.8% of net sales and operating revenue, up from 9.1%. Net income attributable to SECOM CO., LTD., per share rose to ¥595.19, from ¥516.68.

The figure of ¥190.00 for cash dividends per share that appears in the consolidated financial statements represents cash dividends approved and paid to shareholders during the period under review, namely, a ¥95.00 per share year-end dividend for the fiscal year ended March 31, 2023, approved at the Ordinary General Meeting of Shareholders held on June 27, 2023, and a ¥95.00 per share interim dividend determined by the Board of Directors and paid to shareholders of record as of

September 30, 2023. The year-end cash dividend for the fiscal year ended March 31, 2024, approved at the Ordinary General Meeting of Shareholders held on June 25, 2024, was ¥95.00 per share.

Segment Information

Security Services

Security services include electronic security services, which center on on-line security systems, other security services, and merchandise and other. In the fiscal year ended March 31, 2024, net sales and operating revenue in this segment rose 4.3%, or ¥26.0 billion, from the preceding period, to ¥626.3 billion. Excluding intersegment transactions, segment net sales and operating revenue totaled ¥623.1 billion, and was equivalent to 48.5% of overall net sales and operating revenue, down from 48.6%.

Net sales and operating revenue in the area of electronic security services totaled ¥366.0 billion, up 2.5%, or ¥9.0 billion. This primarily reflected higher sales of on-line commercial and home security systems in Japan, due in part to the positive impact of the first increase in subscription fees for home security systems, as well as expanded sales by overseas Group companies and the impact of exchange rates on these sales.

Other security services include static guard and armored car services. Static guard services, which depend on human judgment and flexible responsiveness and are provided by highly trained professional guards, generated net sales and operating revenue of ¥100.1 billion, an increase of 12.2%, or ¥10.9 billion, underpinned by the inclusion of a full year of results for Senon, which became a consolidated subsidiary in July 2022. Net sales and operating revenue from armored car services, which involve the safe and reliable transport of cash, securities and other valuables using specially fitted armored cars and security professionals, rose 3.9%, or ¥2.4 billion, to ¥65.4 billion, owing to a higher contract volume and equipment upgrades associated with the printing of new banknotes.

In merchandise and other, which includes security camera systems, access control systems, automated fire extinguishing systems and external monitoring systems that can be freestanding or linked to on-line security systems, net sales and operating revenue amounted to ¥91.7 billion, up 4.2% or ¥3.7 billion, buttressed by robust sales of merchandise, notably security camera systems, in Japan.

Operating income in this segment declined 1.7%, or ¥1.9 billion, to ¥107.5 billion. The operating margin slipped to 17.2%, from 18.2%. Principal factors behind these results included higher personnel expenses, attributable to an annual base salary increase implemented in response to socioeconomic change, combined with one-time outlays, including demolition costs associated with the rebuilding of facilities.

Fire Protection Services

The fire protection services segment focuses on high-grade, tailored automatic fire alarm systems, fire extinguishing systems and other fire protection systems for a wide range of applications, including office buildings, production facilities, tunnels, cultural properties, ships and homes. In the period

under review, the segment's core companies, Nohmi Bosai and Nittan, leaders in Japan's fire protection services market, sought to leverage their respective operating foundations, product development capabilities and other strengths to secure orders.

Segment net sales and operating revenue was ¥163.9 billion, an increase of 10.1%, or ¥15.1 billion, a consequence mainly of higher sales of fire alarm systems and fire extinguishing systems. Owing to improved margins on fire alarm systems, among others, operating income advanced 32.2%, or ¥3.7 billion, to ¥15.3 billion. The operating margin was 9.3%, up from 7.8%.

Medical Services

Medical services include the provision of home nursing services, pharmaceutical dispensing services, support for affiliated medical institutions in Japan, sales of medical equipment, the operation of a general hospital in India, the operation of residences for seniors and other personal care services, health and preventative care services, and ICT-based medical services, notably electronic medical report systems. The operations of variable interest entities (VIEs) of which the Company is the primary beneficiary, which manage hospitals and other health care-related institutions in Japan, are also accounted for in this segment.

Net sales and operating revenue in this segment slipped 1.8%, or ¥3.6 billion, to ¥192.9 billion. This was despite higher revenue at the Company's general hospital in India and expanded sales in the pharmaceutical dispensing services business, and reflected deteriorating revenue at affiliated hospitals in Japan. Depressed by factors such as declining profits at domestic affiliated hospitals, attributable to falling revenue, as well as by increases in impairment loss on long-lived assets and impairment loss on goodwill, operating income fell 92.6%, or ¥9.7 billion, to ¥782 million. The operating margin fell to 0.4%, from 5.3%.

Insurance Services

The insurance services segment continued to expand sales of an extensive lineup of distinctive non-life insurance policies, including the Security Discount Fire Policy, a commercial fire insurance policy, and SECOM *Anshin My Home*, a comprehensive fire insurance policy for homes, both of which extend discounts on premiums to customers who have installed on-line security systems, recognizing this as a risk-mitigating factor; the MEDCOM unrestricted cancer treatment policy, which covers the entire cost of medical treatment for cancer; and SECOM *Anshin My Car*, a comprehensive automobile insurance policy that offers on-site support services provided by SECOM emergency response personnel should the policyholders be involved in an accident.

Segment net sales and operating revenue advanced 25.8%, or ¥16.0 billion, to ¥77.9 billion, owing largely to firm sales of MEDCOM and other offerings, as well as to net realized investment gains (including gains and losses on other-than-temporary impairments) of ¥19.1 billion, up 285.8%, or ¥14.2 billion. Operating income soared 274.8%, or ¥19.5 billion, to ¥26.6 billion, chiefly reflecting a decline in losses due to natural disasters and the aforementioned net realized investment gains.

Geospatial Information Services

Geospatial information services center on the collection of geographic data using commercial satellites, aircraft and surveying with proprietary vehicles, among others, which is integrated, processed and analyzed to provide geospatial information services to public-sector entities—including national and local governments—and customers in the private sector in Japan. These services are also offered to government agencies overseas.

Net sales and operating revenue in this segment slipped 2.6%, or ¥1.6 billion, to ¥60.7 billion, a consequence principally of reduced revenue from domestic public- and private-sector customers. Despite a decrease in impairment loss on long-lived assets, lower net sales and operating revenue combined with an increase in SG&A expenses, owing to higher personnel expenses, pushed operating income down 12.5%, or ¥727 million, to ¥5.1 billion. The operating margin dipped to 8.4%, from 9.3%.

BPO and ICT Services

BPO and ICT services, which focus on the provision of data center services, also encompass distinctively SECOM BCP support, information security and cloud-based services, and BPO services, which include the operation of contact centers.

Segment net sales and operating revenue edged up 1.0%, or ¥1.4 billion, to ¥140.3 billion. This was despite a decline in revenue in the BPO services business, owing to the cessation or scaling back of services related to COVID-19, and reflected firm results in the data center services business, as well as higher sales of products to SECOM Group companies. Operating income shrank 2.8%, or ¥364 million, to ¥12.7 billion, notwithstanding an improved cost margin in the data center business, thanks to a decrease in utility costs and a review of contracts, as shrinking revenue pushed down operating income in the BPO services business and impairment losses worsened. The operating margin edged down to 9.1%, from 9.4%.

Other services

The other services segment provides real estate leasing, as well as construction and installation services. Net sales and operating revenue in this segment rose 12.4%, or ¥5.1 billion, to

¥46.2 billion, underpinned by the inclusion of a full year of results for Senon, which became a consolidated subsidiary in July 2022, and the divestiture of certain real estate for lease. Nonetheless, operating income fell 15.1%, or ¥1.1 billion, to ¥6.4 billion, bolstered by the recognition of impairment loss on goodwill of ¥1.8 billion in the real estate leasing business. The operating margin was 13.8%, down from 18.3%.

Financial Position

Total assets as of March 31, 2024, amounted to ¥2,378.1 billion, an increase of ¥100.7 billion, from the end of the previous fiscal year. Total current assets, at ¥964.3 billion, were down ¥72.2 billion, and represented 40.6% of total assets. The current ratio was 2.2 times, compared with 2.4 times at the end of the preceding period.

Cash and cash equivalents, the principal component of current assets, was ¥435.7 billion, a decline of ¥89.0 billion. (For further information, please see Cash Flows, which follows this section.) Notes and accounts receivable, trade, rose ¥5.3 billion, to ¥178.3 billion, a result of such factors as higher net sales and operating revenue in the fire protection services segment and the progress of major projects in the geospatial information services segment. Notes and accounts receivable, trade, are affected by the fact that net sales and operating revenue in the fire protection services and geospatial information services segments tends to be concentrated toward the end of the fiscal year. Cash and deposits for armored car services rose ¥3.1 billion, to ¥138.6 billion. Cash and deposits for this purpose are funded primarily through bank overdrafts and deposits and their use by the Company is restricted. Inventories, at ¥52.5 billion, were up ¥5.8 billion, owing mainly to the expansion of inventories necessitated by higher sales of merchandise and an increase in net sales and operating revenue in the fire protection services segment.

Investments and long-term receivables, climbed ¥131.0 billion, to ¥514.7 billion, and accounted for 21.6% of total assets. This was due largely to investments in affiliated companies of ¥151.6 billion, up ¥72.0 billion, and investment securities of ¥291.7 billion, up ¥56.7 billion, both reflecting investments in ARTERIA Networks in Japan, and Eagle Eye Networks and Brivo

in the United States, as well as elevated gains on other-than-temporary impairment of investment securities and on private equity investments.

Property, plant and equipment, less accumulated depreciation, rose ¥27.4 billion, to ¥463.5 billion, and represented 19.5% of total assets. This was due chiefly to increases in construction in progress related to the opening of new data centers, and in security equipment and control stations.

Other assets rose ¥14.5 billion, to ¥435.6 billion, equivalent to 18.3% of total assets. This was a consequence primarily of a ¥14.0 billion rise in prepaid pension and severance costs, to ¥69.6 billion, owing to an increase in return on plan assets.

Total liabilities as of March 31, 2024, amounted to ¥862.8 billion, up ¥20.9 billion, accounting for 36.3% of total liabilities and equity. Total current liabilities rose ¥2.1 billion, to ¥436.2 billion, and represented 18.3% of total liabilities and equity. Total long-term liabilities advanced ¥18.7 billion, to ¥426.5 billion, equivalent to 17.9% of total liabilities and equity, owing chiefly to ¥34.4 billion in deferred income taxes, up ¥14.2 billion, owing to elevated gains on other-than-temporary impairment of investment securities and on private equity investments.

Total SECOM CO., LTD. shareholders' equity advanced ¥61.8 billion, to ¥1,329.0 billion, lifting the equity ratio to 55.9%, from 55.6% a year earlier. Retained earnings rose ¥85.2 billion, to ¥1,297.5 billion, with contributing factors including net income attributable to SECOM CO., LTD., and the payment of dividends. Owing to a weaker yen, foreign currency translation adjustments climbed ¥11.3 billion, to ¥30.3 billion, as a consequence of which accumulated other comprehensive income was up ¥18.9 billion, to ¥42.5 billion. Common stock in treasury, at cost, increased ¥40.8 billion, to ¥150.0 billion, owing to the purchase of treasury stock on the open market.

Cash Flows

The Company is committed to maintaining sufficient liquidity to allow flexibility in its operations and ensure a solid financial foundation. To the best of its ability, the Company is also firmly committed to financing strategic investments with cash generated by its operating activities.

In the fiscal year ended March 31, 2024, net cash provided by operating activities amounted to ¥179.9 billion. Principal components of this included net income of ¥142.5 billion, and an adjustment for depreciation and amortization, including amortization of deferred charges, of ¥81.0 billion. Key negative adjustments included a gain on other-than-temporary impairment of investment securities of ¥26.6 billion and a gain on private equity investments of ¥18.2 billion. Net cash provided by operating activities was up ¥23.7 billion from the fiscal year ended March 31, 2023, despite a ¥24.0 billion higher gain on other-than-temporary impairment of investment securities, thanks principally to the ¥20.8 billion increase in net income, a ¥7.4 billion increase in deposits received, including cash deposits for armored car services, compared with a ¥99 million decrease in the previous fiscal year, and a ¥3.4 billion increase in accrued income taxes, compared with a ¥4.0 billion decrease in the preceding period.

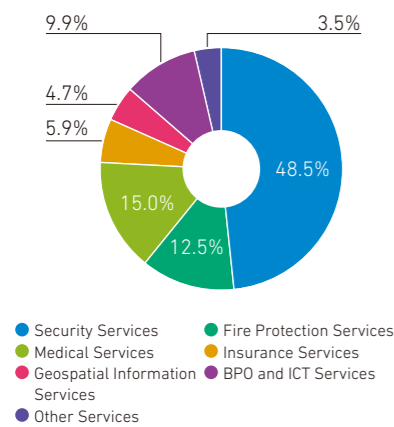
Net cash used in investing activities was ¥169.0 billion. The principal applications of cash included payments for purchases of investment securities of ¥93.9 billion and payments for purchases of property, plant and equipment of ¥85.6 billion, the latter related to the acquisition of security equipment and control stations and of equipment for newly built data centers. Net cash used in investing activities was ¥91.7 billion higher than in the preceding period, bolstered by the ¥45.1 billion surge in payments for purchases of investment securities, reflecting investments in ARTERIA Networks in Japan, and Eagle Eye Networks and Brivo in the United States, and the ¥32.7 billion rise in payments for purchases of property, plant and equipment.

Net cash used in financing activities amounted to ¥102.5 billion. This was due mainly to an increase in treasury stock, net, of ¥44.0 billion, dividends paid to SECOM CO., LTD. shareholders of ¥40.5 billion, and repayments of long-term debt of ¥15.1 billion. Net cash used in financing activities rose ¥15.3 billion from the previous fiscal year, a consequence largely of the ¥14.2 billion increase in treasury stock, net.

Owing to the Company's operating, investing and financing activities in the period under review, cash and cash equivalents at end of year totaled ¥435.7 billion, down ¥89.0 billion from cash equivalents at beginning of year of ¥524.8 billion.

Percentage of Consolidated Net Sales and Operating Revenue*

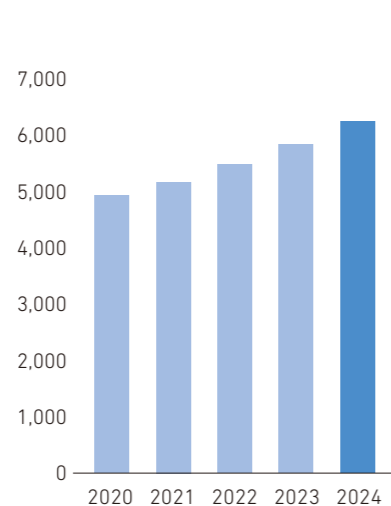
(Year ended March 31, 2024)



*Pie chart shows percentage of consolidated net sales and operating revenue (excluding intersegment transactions)

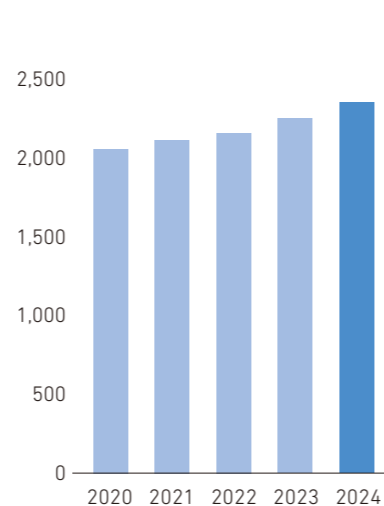
SECOM CO., LTD. Shareholders' Equity per Share

(In yen)



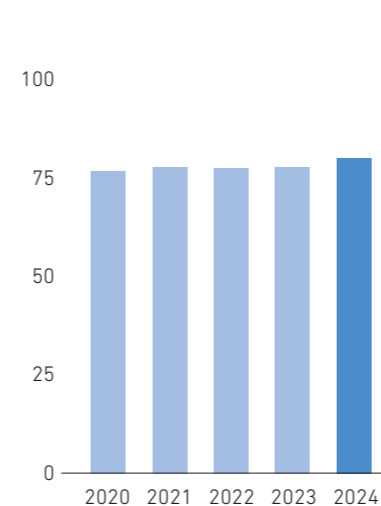
Total Assets

(In billions of yen)



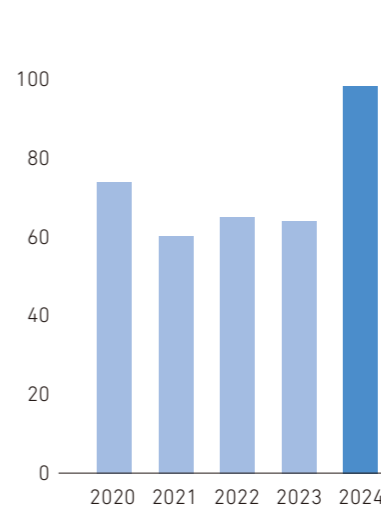
Depreciation and Amortization

(In billions of yen)



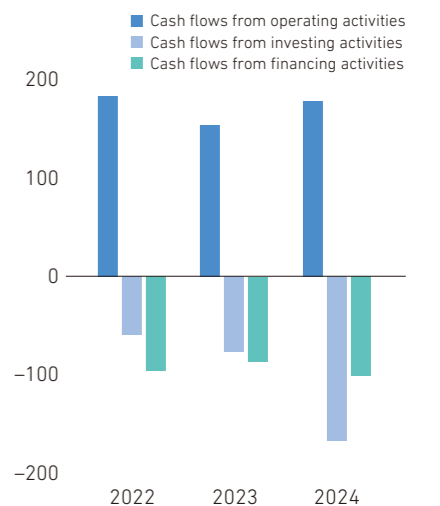
Purchases of Property, Plant and Equipment and Intangible Assets

(In billions of yen)



Cash Flows

(In billions of yen)



Consolidated Financial Statements

Consolidated Balance Sheets

SECOM CO., LTD. and Subsidiaries
March 31, 2024 and 2023

	In millions of yen		Translation into thousands of U.S. dollars
	2024	2023	March 31 2024
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 435,728	¥ 524,777	\$ 2,885,616
Time deposits	24,060	9,211	159,338
Cash deposits for armored car services	138,562	135,460	917,629
Short-term investments	12,374	25,938	81,947
Notes and accounts receivable, trade	178,278	172,946	1,180,649
Due from subscribers	67,573	61,781	447,503
Inventories	52,530	46,756	347,881
Short-term deferred charges	7,205	7,565	47,715
Short-term receivables	25,719	29,730	170,325
Allowance for doubtful accounts	—	(2,202)	—
Allowance for credit losses	(2,191)	—	(14,510)
Deferred insurance acquisition costs	3,238	2,704	21,444
Other current assets	21,271	21,839	140,868
Total current assets	964,347	1,036,505	6,386,405
Investments and long-term receivables:			
Investment securities	291,716	235,003	1,931,894
Investments in affiliated companies	151,635	79,647	1,004,205
Long-term receivables	38,077	38,712	252,166
Lease deposits	23,756	22,078	157,325
Other investments	13,397	12,457	88,721
Allowance for doubtful accounts	—	(4,175)	—
Allowance for credit losses	(3,886)	—	(25,735)
	514,695	383,722	3,408,576
Property, plant and equipment:			
Land	126,074	123,197	834,927
Buildings and improvements	412,137	397,640	2,729,384
Security equipment and control stations	390,434	372,650	2,585,656
Machinery, equipment and automobiles	174,704	168,973	1,156,980
Construction in progress	32,442	20,558	214,848
	1,135,791	1,083,018	7,521,795
Accumulated depreciation	(672,313)	(646,969)	(4,452,404)
	463,478	436,049	3,069,391
Other assets:			
Operating lease right-of-use assets	136,525	130,584	904,139
Long-term deferred charges	13,085	12,559	86,656
Goodwill	137,685	141,626	911,821
Other intangible assets	65,025	65,743	430,629
Prepaid pension and severance costs	69,583	55,552	460,814
Deferred income taxes	13,674	15,039	90,556
	435,577	421,103	2,884,615
Total assets	¥2,378,097	¥2,277,379	\$15,748,987

LIABILITIES AND EQUITY

	In millions of yen		Translation into thousands of U.S. dollars
	2024	2023	March 31 2024
Current liabilities:			
Bank loans	¥ 29,185	¥ 30,096	\$ 193,278
Current portion of long-term debt	11,350	12,527	75,166
Notes and accounts payable, trade	42,732	48,148	282,993
Other payables	52,981	46,284	350,868
Deposits received	131,584	124,117	871,417
Deferred revenue	37,576	37,747	248,848
Accrued income taxes	26,557	23,121	175,874
Accrued payroll	47,247	46,476	312,894
Current operating lease liabilities	22,811	21,040	151,066
Other current liabilities	34,220	44,547	226,622
Total current liabilities	436,243	434,103	2,889,026
Long-term liabilities:			
Long-term debt	51,410	47,414	340,464
Guarantee deposits received	23,267	23,229	154,086
Accrued pension and severance costs	28,916	31,090	191,497
Long-term deferred revenue	15,870	16,121	105,099
Unearned premiums and other insurance liabilities	127,915	129,034	847,119
Investment deposits by policyholders	11,804	14,363	78,172
Deferred income taxes	34,374	20,222	227,642
Noncurrent operating lease liabilities	114,913	109,544	761,013
Other long-term liabilities	18,056	16,767	119,576
Total long-term liabilities	426,525	407,784	2,824,668
Total liabilities	862,768	841,887	5,713,694
Commitments and contingent liabilities			
Equity:			
SECOM CO., LTD. shareholders' equity:			
Common stock			
Authorized—900,000,000 shares, issued 233,299,898 shares in 2024			
Authorized—900,000,000 shares, issued 233,299,898 shares in 2023	66,427	66,427	439,914
Additional paid-in capital	61,376	63,082	406,464
Legal reserve	11,278	11,067	74,689
Retained earnings	1,297,459	1,212,269	8,592,444
Accumulated other comprehensive income (loss):			
Unrealized gains on securities	167	(1,220)	1,106
Pension liability adjustments	11,967	5,814	79,252
Foreign currency translation adjustments	30,332	18,991	200,874
	42,466	23,585	281,232
Common stock in treasury, at cost:			
22,808,460 shares in 2024 and 18,763,110 shares in 2023	(149,979)	(109,225)	(993,238)
Total SECOM CO., LTD. shareholders' equity	1,329,027	1,267,205	8,801,505
Noncontrolling interests	186,302	168,287	1,233,788
Total equity	1,515,329	1,435,492	10,035,293
Total liabilities and equity	¥2,378,097	¥2,277,379	\$15,748,987

Consolidated Statements of Cash Flows

SECOM CO., LTD. and Subsidiaries
Three years ended March 31, 2024

	In millions of yen			Translation into thousands of U.S. dollars
	2024	2023	2022	Year ended March 31 2024
Cash flows from operating activities:				
Net income	¥142,479	¥121,696	¥119,164	\$ 943,570
Adjustments to reconcile net income to net cash provided by operating activities—				
Depreciation and amortization, including amortization of deferred charges	81,014	78,718	78,507	536,517
Accrual for pension and severance costs, less payments	(4,592)	(2,661)	(2,659)	(30,411)
Deferred income taxes, including discontinued operations	10,107	3,584	2,426	66,934
Gain and loss on sales and disposal of fixed assets, net	496	(173)	2,682	3,285
Impairment loss on long-lived assets	4,428	2,647	113	29,325
Gain and loss on private equity investments	(18,221)	(11,792)	(3,072)	(120,669)
Impairment loss on goodwill	4,404	1,456	268	29,166
Gain on sales of securities, net	(1,393)	(2,713)	(709)	(9,225)
Gain and loss on other-than-temporary impairment of investment securities	(26,642)	(2,609)	2,373	(176,437)
Equity in net income of affiliated companies	(9,980)	(8,152)	(6,639)	(66,093)
Changes in assets and liabilities, net of effects from acquisitions and disposals:				
(Increase) decrease in cash deposits for armored car services	(3,102)	1,060	2,412	(20,543)
(Increase) decrease in receivables and due from subscribers, net of allowances	(10,575)	(3,797)	(10,450)	(70,033)
(Increase) decrease in inventories	(7,112)	(8,960)	(5,415)	(47,099)
Increase in deferred charges	(9,024)	(8,026)	(8,015)	(59,762)
Increase (decrease) in notes and accounts payable	600	2,117	2,986	3,974
Increase (decrease) in deposits received	7,431	(99)	163	49,212
Increase (decrease) in deferred revenue	(738)	(1,148)	(1,391)	(4,887)
Increase (decrease) in accrued income taxes	3,428	(4,015)	4,022	22,702
Increase (decrease) in guarantee deposits received	(61)	(136)	(210)	(404)
Increase (decrease) in unearned premiums and other insurance liabilities	(1,119)	(3,980)	(103)	(7,411)
Increase (decrease) in accrued consumption tax	3,160	(1,376)	(4,121)	20,927
Other, net	14,886	4,568	12,961	98,581
Net cash provided by operating activities	179,874	156,209	185,293	1,191,219
Cash flows from investing activities:				
(Increase) decrease in time deposits	(14,778)	(173)	738	(97,868)
Proceeds from sales of property, plant and equipment	3,757	6,514	3,602	24,881
Payments for purchases of property, plant and equipment	(85,552)	(52,846)	(55,075)	(566,570)
Payments for purchases of intangible assets	(13,843)	(12,004)	(10,778)	(91,675)
Proceeds from sales and redemptions of investment securities	34,075	53,331	33,243	225,662
Payments for purchases of investment securities	(93,943)	(48,829)	(31,683)	(622,139)
(Increase) decrease in short-term investments	2,731	(2,554)	—	18,086
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	—	(156)	(3)	—
Acquisitions, net of cash acquired	—	(18,929)	—	—
(Increase) decrease in short-term receivables, net	(40)	(187)	57	(265)
Payments for long-term receivables	(479)	(737)	(703)	(3,172)
Proceeds from long-term receivables	794	1,509	1,975	5,258
Other, net	(1,751)	(2,264)	(1,734)	(11,595)
Net cash used in investing activities	(169,029)	(77,325)	(60,361)	(1,119,397)
Cash flows from financing activities:				
Proceeds from long-term debt	1,100	2,837	5,349	7,285
Repayments of long-term debt	(15,074)	(16,701)	(16,953)	(99,828)
Increase (decrease) in bank loans, net	(914)	(1,275)	(1,903)	(6,053)
Increase (decrease) in investment deposits by policyholders	(2,559)	(2,603)	(2,863)	(16,947)
Dividends paid to SECOM CO., LTD. shareholders	(40,483)	(39,060)	(38,196)	(268,100)
Dividends paid to noncontrolling interests	(2,864)	(3,427)	(2,965)	(18,967)
Payments for acquisition of shares of consolidated subsidiaries from noncontrolling interest holders	(611)	(38)	(28,573)	(4,046)
Increase in treasury stock, net	(44,002)	(29,788)	(11,241)	(291,404)
Other, net	2,933	2,847	72	19,424
Net cash used in financing activities	(102,474)	(87,208)	(97,273)	(678,636)
Effect of exchange rate changes on cash and cash equivalents	2,580	1,546	1,695	17,086
Net increase in cash and cash equivalents	(89,049)	(6,778)	29,354	(589,728)
Cash and cash equivalents at beginning of year	524,777	531,555	502,201	3,475,344
Cash and cash equivalents at end of year	¥435,728	¥524,777	¥531,555	\$2,885,616

Segment Information

Information by business and geographic segments for the years ended and as of March 31, 2024, 2023 and 2022 is as follows:

(1) Business Segment Information

	In millions of yen			In thousands of U.S. dollars
	2024	2023	2022	Year ended March 31 2024
Net sales and operating revenue:				
Security services—				
Customers	¥ 623,102	¥ 597,071	¥ 563,623	\$4,126,504
Intersegment	3,169	3,235	3,093	20,987
Total	626,271	600,306	566,716	4,147,491
Fire protection services—				
Customers	160,601	145,662	148,804	1,063,582
Intersegment	3,282	3,125	3,302	21,735
Total	163,883	148,787	152,106	1,085,317
Medical services—				
Customers	192,600	196,246	195,826	1,275,497
Intersegment	251	239	236	1,662
Total	192,851	196,485	196,062	1,277,159
Insurance services—				
Customers	75,189	58,876	51,769	497,940
Intersegment	2,685	3,012	3,151	17,781
Total	77,874	61,888	54,920	515,721
Geospatial information services—				
Customers	60,501	62,086	56,371	400,669
Intersegment	204	226	194	1,351
Total	60,705	62,312	56,565	402,020
BPO and ICT services—				
Customers	127,090	127,854	115,544	841,656
Intersegment	13,225	11,012	9,212	87,583
Total	140,315	138,866	124,756	929,239
Other services—				
Customers	44,815	39,521	34,161	296,788
Intersegment	1,355	1,560	1,235	8,974
Total	46,170	41,081	35,396	305,762
Total	1,308,069	1,249,725	1,186,521	8,662,709
Eliminations	(24,171)	(22,409)	(20,423)	(160,073)
Total net sales and operating revenue	¥1,283,898	¥1,227,316	¥1,166,098	\$8,502,636
Operating income (loss):				
Security services	¥107,525	¥109,420	¥113,380	\$ 712,086
Fire protection services	15,278	11,559	14,516	101,179
Medical services	782	10,504	13,636	5,179
Insurance services	26,571	7,090	8,547	175,967
Geospatial information services	5,080	5,807	3,874	33,642
BPO and ICT services	12,748	13,112	14,562	84,424
Other services	6,381	7,519	6,120	42,258
Total	174,365	165,011	174,635	1,154,735
Corporate expenses and eliminations	(19,399)	(19,459)	(18,233)	(128,471)
Operating income	¥154,966	¥145,552	¥156,402	\$1,026,264
Other income	39,110	20,040	9,670	259,007
Other expenses	(3,364)	(2,592)	(4,383)	(22,278)
Income from continuing operations before income taxes	¥190,712	¥163,000	¥161,689	\$1,262,993
Assets:				
Security services	¥ 870,512	¥ 961,134	¥ 961,134	\$ 5,764,980
Fire protection services	202,181	192,783	192,783	1,338,947
Medical services	205,725	203,876	203,876	1,362,417
Insurance services	266,027	244,332	244,332	1,761,768
Geospatial information services	80,315	77,827	77,827	531,887
BPO and ICT services	279,241	252,319	252,319	1,849,278
Other services	128,098	128,970	128,970	848,333
Total	2,032,099	2,061,241	2,061,241	13,457,610
Corporate items	194,363	136,491	136,491	1,287,172
Investments in affiliated companies	151,635	79,647	79,647	1,004,205
Total assets	¥2,378,097	¥2,277,379	¥2,277,379	\$15,748,987

Segment Information

	In millions of yen			In thousands of U.S. dollars
	2024	2023	2022	2024
Depreciation and amortization:				
Security services	¥ 53,611	¥ 51,739	¥51,573	\$355,040
Fire protection services	2,958	2,955	2,836	19,589
Medical services	7,728	7,829	8,055	51,179
Insurance services	2,658	2,328	2,509	17,603
Geospatial information services	1,825	1,773	1,751	12,086
BPO and ICT services	10,114	9,917	9,751	66,980
Other services	1,325	1,303	1,158	8,775
Total	80,219	77,844	77,633	531,252
Corporate items	795	874	874	5,265
Total depreciation and amortization	¥ 81,014	¥ 78,718	¥78,507	\$536,517
Capital expenditure:				
Security services	¥ 54,352	¥ 66,278	¥44,059	\$359,947
Fire protection services	3,377	4,043	5,176	22,364
Medical services	11,167	5,620	4,018	73,954
Insurance services	3,354	3,075	2,770	22,212
Geospatial information services	2,362	2,600	2,608	15,642
BPO and ICT services	26,255	20,961	7,871	173,874
Other services	2,423	8,108	4,182	16,046
Total	103,290	110,685	70,684	684,039
Corporate items	1,023	795	584	6,775
Total capital expenditures	¥104,313	¥111,480	¥71,268	\$690,814

The capital expenditures in the above table represent the additions to property, plant and equipment and intangible assets of each segment. The Company has no single customer that accounts for more than 10 percent of total revenues.

The following table is a breakdown of security services revenue to external customers by service category. The security services business is managed as a single operating segment by the Company's management.

	In millions of yen			In thousands of U.S. dollars
	2024	2023	2022	2024
Electronic security services	¥365,980	¥356,962	¥348,749	\$2,423,709
Other security services:				
Static guard services	100,063	89,200	75,459	662,669
Armored car services	65,367	62,920	62,467	432,894
Merchandise and other	91,692	87,989	76,948	607,232
Total security services	¥623,102	¥597,071	¥563,623	\$4,126,504

(2) Geographic Segment Information

Net sales and operating revenue attributed to countries based on the geographical location of customers for the years ended March 31, 2024, 2023 and 2022 and long-lived assets as of March 31, 2024 and 2023 were as follows:

	In millions of yen			In thousands of U.S. dollars
	2024	2023	2022	2024
Net sales and operating revenue:				
Japan	¥1,220,710	¥1,168,628	¥1,117,929	\$8,084,172
Other	63,188	58,688	48,169	418,464
Total	¥1,283,898	¥1,227,316	¥1,166,098	\$8,502,636
Long-lived assets:				
Japan	¥826,731	¥798,435		\$5,475,040
Other	19,286	15,855		127,722
Total	¥846,017	¥814,290		\$5,602,762

There are no individually material countries other than Japan with respect to net sales and operating revenue and long-lived assets.

Other Financial Data

Summary of Selected Financial Data

SECOM CO., LTD. and Subsidiaries
Years ended/as of March 31

	In millions of yen					
	2024	2023	2022	2021	2020	2019
Composition of consolidated net sales and operating revenue by segment						
Net sales and operating revenue	¥1,283,898	¥1,227,316	¥1,166,098	¥1,135,339	¥1,132,632	¥1,087,355
Security services:	623,102	597,071	563,623	555,060	561,067	548,271
As a percentage of net sales and operating revenue	48.5%	48.6%	48.3%	48.9%	49.5%	50.4%
Electronic security services	365,980	356,962	348,749	344,882	344,992	342,299
As a percentage of net sales and operating revenue	28.5	29.1	29.9	30.4	30.5	31.5
Other security services—						
Static guard services	100,063	89,200	75,459	69,370	70,054	66,289
As a percentage of net sales and operating revenue	7.8	7.3	6.5	6.1	6.2	6.1
Armored car services	65,367	62,920	62,467	62,841	63,602	62,417
As a percentage of net sales and operating revenue	5.1	5.1	5.4	5.5	5.6	5.7
Subtotal	165,430	152,120	137,926	132,211	133,656	128,706
Merchandise and other	91,692	87,989	76,948	77,967	82,419	77,266
As a percentage of net sales and operating revenue	7.1	7.1	6.6	6.9	7.2	7.1
Fire protection services	160,601	145,662	148,804	140,599	151,861	140,139
As a percentage of net sales and operating revenue	12.5	11.9	12.8	12.4	13.4	12.9
Medical services	192,600	196,246	195,826	182,573	187,101	181,705
As a percentage of net sales and operating revenue	15.0	16.0	16.8	16.1	16.5	16.7
Insurance services	75,189	58,876	51,769	58,291	43,515	41,637
As a percentage of net sales and operating revenue	5.9	4.8	4.4	5.1	3.8	3.8
Geospatial information services	60,501	62,086	56,371	53,908	53,535	51,510
As a percentage of net sales and operating revenue	4.7	5.1	4.8	4.7	4.7	4.7
BPO and ICT services	127,090	127,854	115,544	112,144	99,833	90,225
As a percentage of net sales and operating revenue	9.9	10.4	9.9	9.9	8.8	8.2
Other services	44,815	39,521	34,161	32,764	35,720	33,868
As a percentage of net sales and operating revenue	3.5	3.2	3.0	2.9	3.3	3.3

Net income attributable to SECOM CO., LTD., cash dividends and SECOM CO., LTD. shareholders' equity

Net income attributable to SECOM CO., LTD.	¥ 125,884	¥ 111,558	¥ 107,731	¥ 89,913	¥ 87,136	¥ 89,686
Cash dividends paid ⁽²⁾	40,483	39,060	38,196	37,104	37,104	34,922
SECOM CO., LTD. shareholders' equity	1,329,027	1,267,205	1,209,512	1,142,323	1,088,738	1,044,184

Consolidated financial ratios

Percentage of working capital accounted for by:

Debt—						
Bank loans	2.1	2.2	2.4	2.7	3.3	3.4
Current portion of long-term debt	0.8	0.9	1.2	1.2	1.5	1.6
Straight bonds	0.2	0.2	0.3	0.3	0.3	0.4
Other long-term debt	3.4	3.3	3.7	4.0	3.4	3.6
Total debt	6.5	6.6	7.6	8.3	8.5	8.9
SECOM CO., LTD. shareholders' equity	93.5	93.4	92.4	91.7	91.5	91.1
Total capitalization	100.0	100.0	100.0	100.0	100.0	100.0
Return on total assets (percentage) ^(a)	5.3	4.9	4.9	4.2	4.2	4.8
Return on equity (percentage) ^(b)	9.5	8.8	8.9	7.9	8.0	8.6
Percentage of net sales and operating revenue absorbed by ^(c) :						
Depreciation and amortization	6.3	6.4	6.7	6.9	5.7	6.8
Rental expense under operating leases	2.6	2.6	2.5	2.6	2.4	2.5
Ratio of accumulated depreciation to depreciable assets (percentage)	68.8	68.9	68.0	66.6	65.3	65.4
Net property turnover (times) ^(c)	2.77	2.81	2.75	2.65	2.73	2.67
Before-tax interest coverage (times) ^{(c) (d)}	143.3	138.8	139.8	125.2	117.5	109.6

Note: Installation revenue is included in the corresponding electronic security services.

Summary of Selected Financial Data

	2024	2023	2022	2021	2020	2019
Number of shares outstanding						
Issued.....	233,299,898	233,299,898	233,298,049	233,295,926	233,293,998	233,292,219
Owned by SECOM CO., LTD.....	22,808,460	18,763,110	15,215,218	15,034,565	15,033,588	15,031,867
Balance.....	210,491,438	214,536,788	218,082,831	218,261,361	218,260,410	218,260,352
Per share information:						
Net income attributable to SECOM CO., LTD. per share (in yen) ⁽¹⁾	¥ 595.19	¥ 516.68	¥ 492.83	¥ 411.95	¥ 399.23	¥ 410.91
Cash dividends paid per share (in yen) ⁽²⁾	190.00	180.00	175.00	170.00	170.00	160.00
SECOM CO., LTD. shareholders' equity per share (in yen) ⁽³⁾	6,313.92	5,906.70	5,546.11	5,233.74	4,988.25	4,784.12
Cash flow per share (in yen) ^{(1)(e)}	786.83	700.34	677.24	602.60	533.88	590.91
Price/Book value ratio.....	1.74	1.38	1.60	1.78	1.80	1.98
Price/Earnings ratio.....	18.41	15.80	17.99	22.61	22.48	23.08
Price/Cash flow ratio.....	13.93	11.66	13.09	15.45	16.81	16.05
Stock price at year-end (in yen).....	10,960	8,164	8,868	9,313	8,974	9,482

Notes: (a) Net income attributable to SECOM CO., LTD. / Total assets
 (b) Net income attributable to SECOM CO., LTD. / SECOM CO., LTD. shareholders' equity
 (c) Including discontinued operations
 (d) (Income before income taxes and equity in net income of affiliated companies + Interest expense) / Interest expense
 (e) (Net income attributable to SECOM CO., LTD. + Depreciation and amortization – Dividends approved) / Average number of shares outstanding during each period

(1) Per share amounts are based on the average number of shares outstanding during each period.
 (2) Subsequent to March 31, 2024, cash dividends of ¥19,997 million (¥95 per share) were approved at the general shareholders' meeting on June 25, 2024.
 (3) Per share amounts are based on the number of shares outstanding at the end of each period, less treasury stock.

Common Stock Data

SECOM CO., LTD.
As of March 31

SHAREHOLDER INFORMATION	2024	2023	2022	2021	2020	2019
Number of shareholders.....	39,195	24,202	23,401	21,739	23,297	24,023
Common shares held by:						
Financial institutions.....	37.71%	36.98%	39.13%	39.44%	38.65%	37.14%
Securities firms.....	2.22	3.22	3.05	2.81	1.95	3.30
Other domestic corporations.....	2.67	2.73	2.78	2.45	2.50	2.46
Foreign investors.....	42.45	41.44	40.96	41.55	42.76	42.74
Individuals and others.....	5.17	7.59	7.56	7.31	7.70	7.92
Treasury stock.....	9.78	8.04	6.52	6.44	6.44	6.44
Total.....	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

PRICE INFORMATION (TOKYO STOCK EXCHANGE)

		Price per share (in yen)		Nikkei Stock Average (in yen)	
		High	Low	High	Low
2022	April–June.....	¥ 9,449	¥ 7,917	¥28,246.53	¥25,748.72
	July–September.....	9,266	8,132	29,222.77	25,935.62
	October–December.....	8,789	7,511	28,383.09	26,093.67
2023	January–March.....	8,221	7,301	28,623.15	25,716.86
	April–June.....	9,881	8,126	33,706.08	27,472.63
	July–September.....	10,485	9,109	33,753.33	31,450.76
2024	October–December.....	10,860	9,848	33,681.24	30,526.88
	January–March.....	11,860	10,110	40,888.43	33,288.29

Common Stock Data

COMMON STOCK ISSUES

Date	Additional shares issued (In thousands)	Shares outstanding after issue (In thousands)	Share capital after issue (In thousands of yen)	Allotment ratio to shareholders	Remarks
June 15, 1974	1,968	9,200	¥ 460,000	—	Issue at market price (¥900)
Dec. 21, 1974	2,760	11,960	598,000	3 for 10	Stock split
May 21, 1975	1,196	13,156	657,800	1 for 10	Stock split
May 21, 1975	1,244	14,400	720,000	—	Issue at market price (¥1,134)
Dec. 1, 1975	4,320	18,720	936,000	3 for 10	Stock split
May 31, 1976	1,880	20,600	1,030,000	—	Issue at market price (¥2,570)
June 1, 1976	2,060	22,660	1,133,000	1 for 10	Stock split
Dec. 1, 1976	6,798	29,458	1,472,900	3 for 10	Stock split
Nov. 30, 1977	2,042	31,500	1,575,000	—	Issue at market price (¥1,700)
Dec. 1, 1977	6,300	37,800	1,890,000	2 for 10	Stock split
Dec. 1, 1978	7,560	45,360	2,268,000	2 for 10	Stock split
June 1, 1981	3,000	48,360	2,418,000	—	Issue at market price (¥2,230)
Dec. 1, 1981	4,836	53,196	2,659,800	1 for 10	Stock split
Jan. 20, 1983	5,320	58,516	3,000,000	1 for 10	Stock split
Nov. 30, 1983	194	58,710	3,280,942	—	Conversion of convertible bonds
Nov. 30, 1984	1,418	60,128	5,329,282	—	Conversion of convertible bonds
Nov. 30, 1985	186	60,314	5,602,945	—	Conversion of convertible bonds
Jan. 20, 1986	6,031	66,345	5,602,945	1 for 10	Stock split
Nov. 30, 1986	2,878	69,223	11,269,932	—	Conversion of convertible bonds
Nov. 30, 1987	1,609	70,832	15,021,200	—	Conversion of convertible bonds
Jan. 20, 1988	3,541	74,373	15,021,200	0.5 for 10	Stock split
Nov. 30, 1988	439	74,812	16,063,099	—	Conversion of convertible bonds
Nov. 30, 1989	1,808	76,620	21,573,139	—	Conversion of convertible bonds
Jan. 19, 1990	22,986	99,606	21,573,139	3 for 10	Stock split
Mar. 31, 1990	1,446	101,052	25,070,104	—	Conversion of convertible bonds
Mar. 31, 1991	2,949	104,001	32,244,732	—	Conversion of convertible bonds
Mar. 31, 1992	2,035	106,036	37,338,751	—	Conversion of convertible bonds
Mar. 31, 1993	267	106,303	37,991,568	—	Conversion of convertible bonds
Mar. 31, 1994	6,986	113,289	56,756,263	—	Conversion of convertible bonds
Mar. 31, 1995	477	113,766	58,214,178	—	Conversion of convertible bonds
Mar. 31, 1996	613	114,379	59,865,105	—	Conversion of convertible bonds
Mar. 31, 1997	1,825	116,204	65,253,137	—	Conversion of convertible bonds
Mar. 31, 1998	29	116,233	65,327,060	—	Conversion of convertible bonds
Mar. 31, 1999	159	116,392	65,709,927	—	Conversion of convertible bonds
Nov. 19, 1999	116,410	232,802	65,709,927	10 for 10*	Stock split
Mar. 31, 2000	273	233,075	66,096,852	—	Conversion of convertible bonds
Mar. 31, 2001	25	233,100	66,126,854	—	Conversion of convertible bonds
Mar. 31, 2002	175	233,275	66,360,338	—	Conversion of convertible bonds
Mar. 31, 2003	6	233,281	66,368,827	—	Conversion of convertible bonds
Mar. 31, 2005	8	233,289	66,377,829	—	Conversion of convertible bonds
July 27, 2017	1	233,290	66,385,263	—	Issue of new shares as restricted stock compensation
July 26, 2018	2	233,292	66,392,692	—	Issue of new shares as restricted stock compensation
July 26, 2019	2	233,294	66,401,083	—	Issue of new shares as restricted stock compensation
July 22, 2020	2	233,296	66,410,237	—	Issue of new shares as restricted stock compensation
July 21, 2021	2	233,298	66,419,390	—	Issue of new shares as restricted stock compensation
July 27, 2022	2	233,300	66,427,074	—	Issue of new shares as restricted stock compensation

Note: The above is a record of SECOM's common stock issues since the common stock was listed on the Tokyo Stock Exchange in June 1974.
*One share was split into two.

Corporate Information

(As of July 1, 2024)

Headquarters:	5-1, Jingumae 1-chome, Shibuya-ku, Tokyo 150-0001, Japan
Independent auditors:	KPMG AZSA LLC
Administrator of the register of shareholders:	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

MAJOR CONSOLIDATED SUBSIDIARIES

	Issued capital (In millions of yen)	Percentage of equity/ voting rights	Lines of business	(As of July 1, 2024)
Domestic				
Security services				
Secom Joshinetsu Co., Ltd.	¥3,530	100.0%	Security services	
Secom Hokuriku Co., Ltd.	201	59.1	Security services	
Secom Yamanashi Co., Ltd.	15	70.0	Security services	
Secom Mie Co., Ltd.	50	51.0	Security services	
Secom Sanin Co., Ltd.	290	64.3	Security services	
Secom Kochi Co., Ltd.	50	40.0	Security services	
Secom Miyazaki Co., Ltd.	30	68.3	Security services	
Secom Ryukyu Co., Ltd.	76	50.0	Security services	
Secom Jastic Co., Ltd.	100	100.0	Security services	
Secom Jastic Joshinetsu Co., Ltd.	40	(100.0)	Security services	
Secom Jastic Hokuriku Co., Ltd.	10	(100.0)	Security services	
Secom Jastic Yamanashi Co., Ltd.	10	(100.0)	Security services	
Secom Jastic Sanin Co., Ltd.	10	(100.0)	Security services	
Secom Jastic Kochi Co., Ltd.	10	(100.0)	Security services	
Secom Jastic Miyazaki Co., Ltd.	10	(100.0)	Security services	
Secom Static Hokkaido Co., Ltd.	50	100.0	Security services	
Secom Static Tohoku Co., Ltd.	50	100.0	Security services	
Secom Static Nishi-Nihon Co., Ltd.	50	100.0	Security services	
Secom Static Kansai Co., Ltd.	50	100.0	Security services	
Secom Static Ryukyu Co., Ltd.	10	(100.0)	Security services	
Secom Sado Co., Ltd.	24	(100.0)	Security services	
JK. Siress Co., Ltd.	10	(100.0)	Security services	
Japan Safety Guard Co., Ltd.	100	60.0	Security services	
Japan Nuclear Security System Co., Ltd.	200	50.0	Security services	
Meian Co., Ltd.	60	51.0	Security services	
Secom Tech Sanin Co., Ltd.	23	(100.0)	Installation of security equipment	
Secom Techno Joshinetsu Co., Ltd.	30	(100.0)	Installation of security equipment	
Secom Win Co., Ltd.	15	76.7	Installation of security equipment and facilities	
Secom Industries Co., Ltd.	499	100.0	Manufacturing of security equipment	
Otec Electronics Co., Ltd.	200	82.0	Manufacturing and sales of security systems	
Secom Alpha Co., Ltd.	271	100.0	Sales and leasing of security and water-treatment equipment	
Secom Mine Security Co., Ltd.	30	100.0	Security services	
Asahi Security Co., Ltd.	100	100.0	Security services	
Secom Tosec Co., Ltd.	30	98.0	Security services	
Aroba Inc.	255	100.0	Software development	
Senon Ltd.	100	54.9	Security services	
Oriental Security Service Co., Ltd.	10	(100.0)	Security services	
Far East Security Co., Ltd.	70	(100.0)	Security services	
Kyokuto Keibi Center Co., Ltd.	10	(100.0)	Security services	

Notes: 1. () indicates the percentage of equity/voting rights held by both SECOM CO., LTD. and certain of its subsidiaries, or by certain subsidiaries independently.
2. Subsidiaries are categorized into segments above according to their major lines of business.

(Continued)

MAJOR CONSOLIDATED SUBSIDIARIES

	Issued capital (In millions of yen)	Percentage of equity/ voting rights	Lines of business	(As of July 1, 2024)
Fire protection services				
Nohmi Bosai Ltd.	¥13,302	(50.4)%	Manufacturing and sales of fire protection equipment and facilities	
Kyushu Nohmi Co., Ltd.	30	(100.0)	Installation and maintenance of fire protection equipment	
Chiyoda Service Co., Ltd.	20	(70.0)	Building management	
Nohmi Engineering Corp.	80	(100.0)	Installation of fire protection equipment	
Nohmi System Co., Ltd.	20	(100.0)	Maintenance of fire protection equipment	
Iwate Nohmi Co., Ltd.	30	(100.0)	Installation of fire protection equipment	
Tohoku Nohmi Co., Ltd.	32	(100.0)	Installation of fire protection equipment	
Aomori Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Nissin Bohsai Co., Ltd.	50	(100.0)	Installation of fire protection equipment	
Chiba Nohmi Co., Ltd.	10	(100.0)	Installation of fire protection equipment	
Shikoku Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Nohmi Techno Engineering Co., Ltd.	40	(100.0)	Installation of environmental monitoring systems	
Akita Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Fukushima Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Niigata Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Hokkaido Nohmi Co., Ltd.	20	(100.0)	Installation of fire protection equipment	
Yashima Bosai Setsubi Co., Ltd.	20	(85.0)	Installation of fire protection equipment	
System Service Co., Ltd.	80	(100.0)	Installation and maintenance of fire protection equipment	
Sakamoto Densetsu Co., Ltd.	20	(100.0)	Installation of electrical equipment	
Nittan Co., Ltd.	2,303	100.0	Installation, sales and maintenance of fire protection equipment	
Nittan Hokkaido Service Center Co., Ltd.	10	(100.0)	Installation and maintenance of fire protection equipment	
Consilium Nittan Marine Ltd.	42	(50.0)	Sales of fire protection equipment	
Medical services				
Secom Medical System Co., Ltd.	100	100.0	Home health/nursing care and other medical-related services	
Mac Corp.	95	(100.0)	Sales of medical equipment	
Yoshikikaku Co., Ltd.	20	(100.0)	Operation of restaurants and shops at medical facilities	
Kensei Co., Ltd.	100	(100.0)	Management of pharmacies	
Secomfort Tama Co., Ltd.	100	(100.0)	Management of nursing homes	
Alive Medicare Co., Ltd.	50	(100.0)	Establishment and management of nursing homes	
Secomfort Co., Ltd.	100	(100.0)	Management of nursing homes	
Secomfort West Co., Ltd.	100	(100.0)	Management of nursing homes	
US Chemical Co., Ltd.	3	(100.0)	Management of pharmacies	
Secom Medipharma Co., Ltd.	10	(100.0)	Wholesaling of pharmaceuticals	

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2. Subsidiaries are categorized into segments above according to their major lines of business.

(Continued)

MAJOR CONSOLIDATED SUBSIDIARIES

	Issued capital (In millions of yen)	Percentage of equity/ voting rights	Lines of business	(As of July 1, 2024)
Insurance services				
Secom Insurance Service Co., Ltd.	¥ 100	(100.0)%	Non-life insurance agency	
Secom General Insurance Co., Ltd.	16,809	97.2	Non-life insurance	
Geospatial information services				
Pasco Corp.	8,758	71.6	Geospatial information services	
GIS Hokkaido Co., Ltd.	50	(100.0)	Geospatial information services	
GIS Kanto Co., Ltd.	40	(56.6)	Geospatial information services	
Mid Map Tokyo Corp.	15	(60.0)	Geospatial information services	
Higashi-Nihon Sogo Keikaku Co., Ltd.	200	(100.0)	Geospatial information services	
Satellite Image Marketing Corp.	60	(100.0)	Geospatial information services	
BPO and ICT services				
Secom Trust Systems Co., Ltd.	1,469	100.0	Information, communication, information security services, and development and sales of software	
At Tokyo Corp.	13,379	50.9	Data center business	
TMJ, Inc.	100	100.0	BPO services	
BiOS, Inc.	39	(90.0)	Bilingual IT services	
Mobile Select, Inc.	10	(100.0)	Contact center support services	
Other services				
Arai & Co., Ltd.	3,000	86.7	Real estate leasing	
Arai Corporation, Inc.	10	(100.0)	Management of real estate	
Secom Credit Co., Ltd.	400	100.0	Credit services	
Secom Corp.	100	100.0	Clerical services	
Secom Auto Service Co., Ltd.	45	100.0	Sales and maintenance of vehicles	
Wonder Dream Co., Ltd.	100	100.0	Employee welfare for SECOM Group	
Secom Business Plus Co., Ltd.	20	100.0	General office services	
Secom Home Service Co., Ltd.	32	100.0	Lifestyle support services	
Secom Engineering Co., Ltd.	100	100.0	Design, construction and maintenance of facilities	
Toko Create Co., Ltd.	50	96.6	Electrical engineering	
Kumalift Co., Ltd.	100	100.0	Manufacture, sales and maintenance of freight elevators	

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2. Subsidiaries are categorized into segments above according to their major lines of business.

(Continued)

MAJOR CONSOLIDATED SUBSIDIARIES

	Issued capital	Percentage of equity/ voting rights	Lines of business	(As of July 1, 2024)
Overseas				
Security services				
Secom plc	£44,126 thousand	100.0%	Security services	
Scan Alarms Ltd.	£20 thousand	(100.0)	Holding company	
Scan Alarms & Security Systems (UK) Ltd.	£50 thousand	(100.0)	Security services	
Bluestream Technology Ltd.	€0.1 thousand	(100.0)	Security services	
Secom (China) Co., Ltd.	¥5,550 million	100.0	Holding company	
Dalian Secom Security Co., Ltd.	US\$2,000 thousand	(95.0)	Security services	
Shanghai Secom Security Co., Ltd.	Rmb80,000 thousand	(85.0)	Security services	
Beijing Jingdun Secom Electronic Security Co., Ltd.	US\$2,500 thousand	(80.0)	Security services	
Qingdao Secom Security Co., Ltd.	US\$1,000 thousand	(80.0)	Security services	
Guangdong Secom Security Co., Ltd.	US\$4,500 thousand	(100.0)	Security services	
Sichuan Secom Security Co., Ltd.	Rmb10,000 thousand	(100.0)	Security services	
Shaanxi Secom Security Co., Ltd.	Rmb10,000 thousand	(100.0)	Security services	
Zhejiang Secom Security Co., Ltd.	Rmb15,000 thousand	(97.0)	Security services	
Liaoning Secom Security Co., Ltd.	Rmb10,000 thousand	(60.0)	Security services	
Tianjin Secom Security Co., Ltd.	Rmb7,000 thousand	(100.0)	Security services	
Jiangsu Secom Security Co., Ltd.	Rmb15,000 thousand	(100.0)	Security services	
SECOM Security Hong Kong Ltd.	HK\$3,000 thousand	100.0	Security services	
PT. Secom Indonesia	US\$4,111 thousand	80.0	Security services	
PT. Secom Bhayangkara	I.RPA3,200 million	(40.0)	Security services	
PT. Secom Realty Indonesia	I.RPA97,972 million	(99.9)	Real estate leasing	
Thai Secom Security Co., Ltd.	THB378,934 thousand	49.0	Security services	
Secom Australia Pty. Ltd.	AUD21,172 thousand	100.0	Security services	
Secom Technical Services Unit Trust	AUD5,951 thousand	(100.0)	Security services	
Secom Guardall NZ Ltd.	NZD1,604 thousand	(100.0)	Security services	
Secom Vietnam Security Service JSC	VND160,949 million	(88.2)	Security services	
Secom (Singapore) Pte. Ltd.	S\$5,000 thousand	46.6	Security services	
Secom Smart (Singapore) Pte. Ltd.	S\$26,476 thousand	100.0	Security services	
Secom Smart (Malaysia) Sdn. Bhd.	MYR24,505 thousand	100.0	Security services	
Secom Aktif Guvenlik Yatirim A.S.	TRY245,018 thousand	50.0	Security services	
Secom Aktif Elektronik Guvenlik Cozumleri A.S.	TRY320,649 thousand	(100.0)	Security services	
Other services				
Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.	US\$14,300 thousand	(100.0)	Manufacturing and sales of fire protection equipment and facilities	
Nohmi Taiwan Ltd.	NT\$15,000 thousand	(100.0)	Manufacturing and sales of fire protection equipment and facilities	
Nittan Europe Ltd.	£1,194 thousand	(100.0)	Sales of fire protection equipment	
Nittan Asean Co., Ltd. – Vietnam Headquarters	US\$3,236 thousand	(100.0)	Manufacturing of fire protection equipment	
Anbao Corp.	US\$1,820 thousand	(95.1)	Installation and maintenance of fire protection equipment	
Viet Bao Firefighting and Preventing Equipment JSC	US\$654 thousand	(96.6)	Sales of fire protection equipment	
Secom Medical System (Singapore) Pte. Ltd.	S\$142,098 thousand	(100.0)	Holding company	
Takshasila Hospitals Operating Pvt. Ltd.	INR7,176 million	(60.0)	Hospital management	
Pasco Philippines Corp.	PHP108,953 thousand	(100.0)	Geospatial information services	
Pasco (Thailand) Co., Ltd.	THB129,000 thousand	(100.0)	Geospatial information services	
PT. Nusantara Secom InfoTech	US\$3,304 thousand	(100.0)	Geospatial information services, and development and sales of software	
TMJP BPO Services, Inc.	PHP35,900 thousand	(99.9)	BPO services	
The Westec Security Group, Inc.	US\$0.3 thousand	100.0	Holding company	
ClearLight Partners II, LLC	—	(99.0)	Investment	
ClearLight Partners III, LLC	—	(98.0)	Investment	

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2. Subsidiaries are categorized into segments above according to their major lines of business.

Regarding Publication of SECOM Report 2024

SECOM Report 2024 reports on the progress and results of, and challenges associated with, initiatives undertaken to date with the aim of achieving the goal of the SECOM Group's Vision for 2030. The report also explores our efforts to create services and systems that deliver safety and peace of mind, as well as make life more comfortable and convenient, with the aim of realizing our Social System Industry vision, with a special feature that focuses on our efforts to foster human resources, which we recognize as essential to value creation.

In an ever-changing society, it is our hope that the report will deepen readers' understanding of the evolution of strategies aimed at improving corporate value over the medium to long term, thereby enhancing their ability to appropriately assess that value.



Tatsuro Fuse
Senior Executive Director
Assistant to the president,
Head of Corporate Communication & Marketing Division

Guidelines referenced

Guidelines referenced in the preparation of this report were the International Integrated Reporting Framework, established by the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Collaborative Value Creation, put out by Japan's Ministry of Economy, Trade and Industry (METI).

Scope of reporting

In principle, this report provides information on SECOM CO., LTD., and its consolidated subsidiaries, equity-method companies and variable interest entities. (In instances where the scope differs, an explanation is provided.)

Reporting period

This report is for the fiscal year ended March 31, 2024. (Some information for early in the subsequent period is included.)

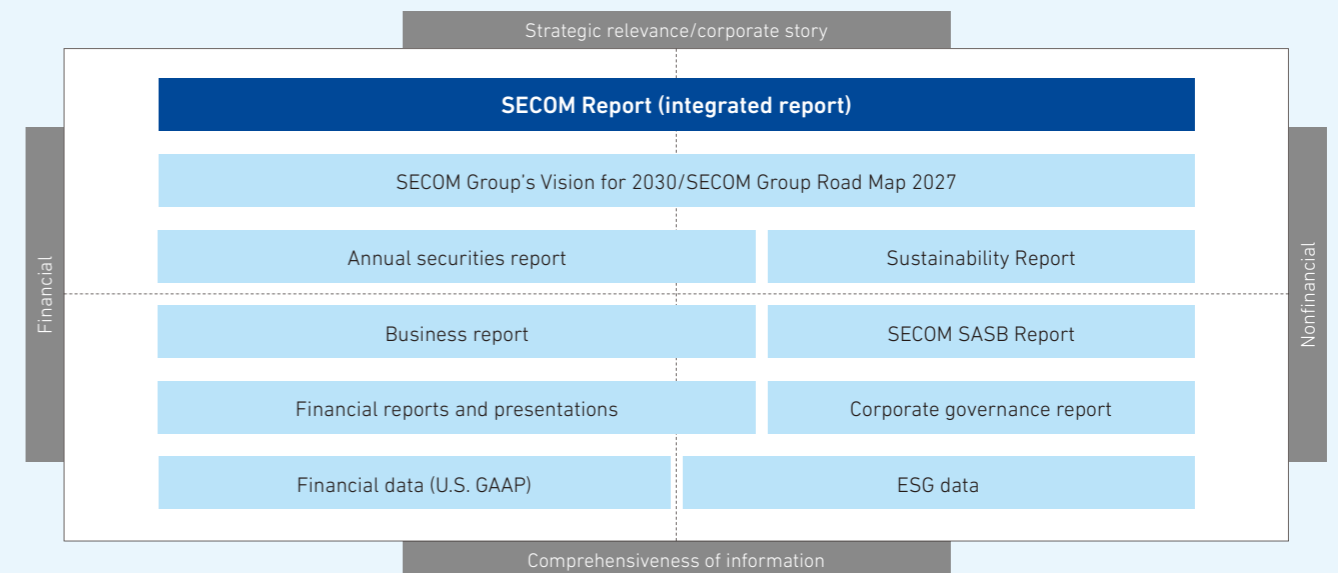
Accounting principles

Unless otherwise indicated, all financial data has been prepared in accordance with U.S. GAAP.

Forward-looking statements

This report contains forward-looking statements about future plans and strategies, as well as forecasts and expectations regarding SECOM's performance. Actual results may differ materially from these statements.

Framework for Communicating with Stakeholders



Access IR information
<https://www.secom.co.jp/english/ir/>



Access sustainability-related information
<https://www.secom.co.jp/english/sustainability/>



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