

Social initiatives:
Seeking to deliver safety and peace of mind for anyone and everyone



Core theme 1 Occupational health and safety

Preparation of manuals that draw on our accumulated know-how and promotion of training to ensure employee safety and collaboration with the SECOM Health Insurance Union to manage employee health

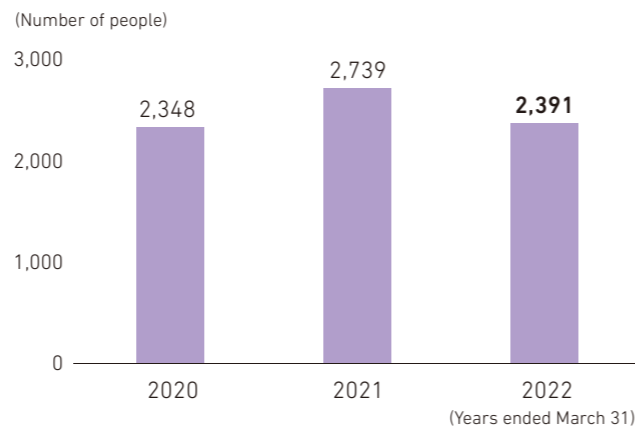
We believe that our ability to provide safety and peace of mind to our customers depends on first ensuring the health and vitality of our employees. Accordingly, we promote various initiatives aimed at protecting and enhancing employee health and creating safe, employee-friendly workplaces.

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. To promote continuous improvements in occupational health and safety, health committees nationwide meet monthly to discuss key issues, including employee working hours and efforts to improve health, enhance work environments, ensure safety, and prevent risks. 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 is able to provide guidance for the improvements where necessary to enhance occupational safety. The division has developed procedures and equipment designed to prevent accidents and promotes initiatives to improve employee skills, including a program that seeks to improve driving techniques. Efforts to ensure

Participants in Training Aimed at Preventing Occupational Accidents



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

safe, employee-friendly workplaces also include the provision of extensive training aimed at preventing occupational

accidents, including that related to the risk of security accidents in various situations.

Core theme 2 SECOM's Philosophy and the SECOM Group Code of Employee Conduct

Efforts 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 semiannual 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. We are currently using IT equipment and taking other steps to promote more strict 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 bolster motivation and productivity Groupwide. Through this initiative, we aim to nurture employees who embody SECOM's Philosophy to foster a stronger corporate culture, ensure a well-established brand, and further earn the trust of society.

Core theme 3 Securing and fostering talented human resources

Focus on securing and fostering talented human resources who have the ability to adapt to change and create value and who seek to contribute to society

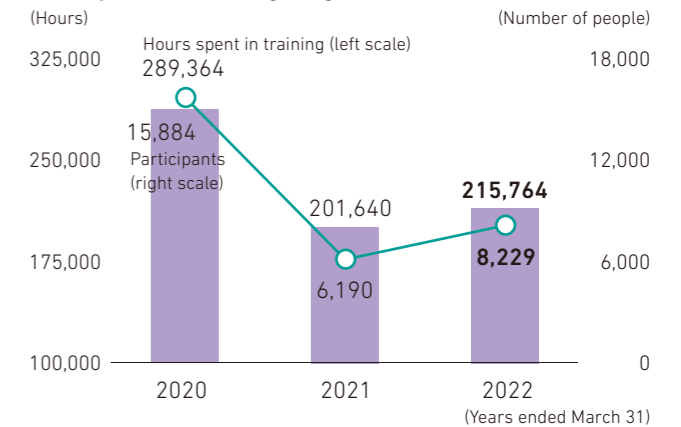
Our vibrant, diverse team of employees, who are critical to our ability to provide services that deliver safety and peace of mind, are our greatest asset and another driving force behind our growth and evolution. Accordingly, we strive to secure and foster talented human resources who have the ability 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 boost 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 career phase or personal preference.

We provide extensive training to foster human resources with high ethical standards and superior skills. In addition to training for all new employees, we have developed department-

and job-specific curricula that reinforce practical capabilities in a manner that benefits employees on the front lines. We have

Participation in Training Programs



Notes: 1. Scope of reporting: SECOM's four domestic human resources development centers
2. Figures include participants in training to provide security services for the Rugby World Cup Japan 2019 and the Olympic and Paralympic Games Tokyo 2020.

also launched a variety of specialized training options, including an overseas study program and a subsidy system for employees to take correspondence courses. In the area of training for security guards, we have introduced VR technology, among others, 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, and 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 assists their efforts to realize their own future goals and aspirations.

Core theme 4 Advancing diversity

Assignment of diversity and inclusion staff to the Human Resource 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 and Inclusions, 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.

In April 2021, we formulated a new action plan for advancing career opportunities for female employees. We continue working to achieve the objectives of the plan by actively fostering female leaders, expanding the scope of jobs available to female employees, taking steps to prevent harassment, and promoting work-life balance, thereby creating positive working environments for women.

Labor Force by Gender As of March 31, 2022

	Male	Female
Executive management	89.6%	10.4%
Other	79.6%	20.4%
Total	82.8%	17.2%

*Scope of reporting: SECOM CO., LTD.

Action Plan for Fostering Career Opportunities for Female Employees

➤ **Period:**
April 1, 2021–March 31, 2026

➤ **Objectives:**

- Increase the number of female employees at manager level*1 to at least 200 and at supervisor level*2 to at least 400.
- Expand the scope of jobs available to women and increase the number of female employees by more than 500 from 2,396 in 2016 (the year the previous management plan was formulated).
- To prevent harassment, provide online training for all employees once annually and training for newly appointed regional office general managers at least once.
- Extend the average length of service of female employees by more than one year from 12.2 years in the fiscal year ended March 31, 2020.
- Increase the percentage of annual paid vacation days taken by employees by more than 10% from 53.2% in the fiscal year ended March 31, 2020.

*1 Manager level: Corporate headquarters assistant manager or higher, and regional headquarters and regional office manager or higher
*2 Supervisor level: Regional headquarters and regional office supervisor

Core theme 5 Promoting work-life balance

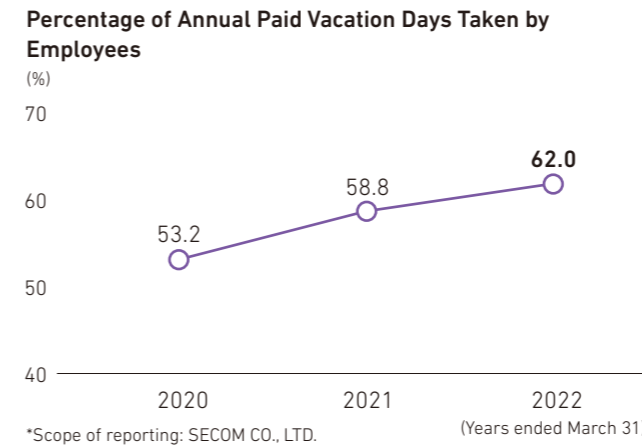
Establishment of programs and promotion of ongoing efforts to enhance work-life balance and increase employee retention

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, we have established vacation and leave systems in line with which we promote ongoing efforts to help

employees achieve a balance between their careers and private lives and enhance employee retention.

- **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 by both female and male employees up until the day before the child's third birthday
- **Change in working hours/exemption (shorter working hours) for childcare:** Available within certain restrictions on request to employees who are pregnant or have children who have not yet entered the third grade of



Core theme 6 Dialogue with employees

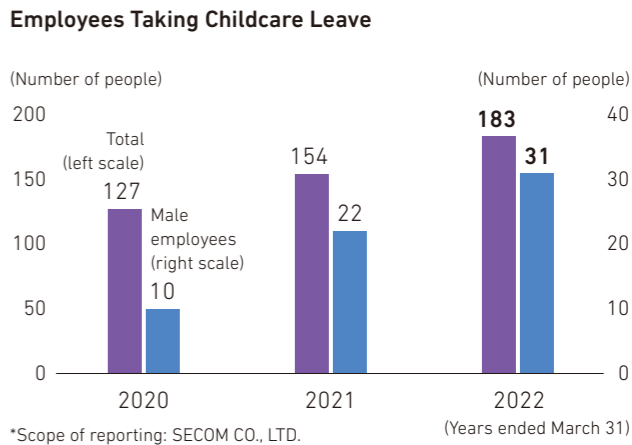
Employee job satisfaction surveys and the exchange of opinions between the SECOM Employee Union Federation and executives to facilitate the creation of employee-friendly workplaces

We seek to achieve sustainable growth as a strong, flexible organization that is impervious to the impact of social change and the competitive environment. We are thus working to create a virtuous circle, recognizing the importance of enabling employees who share SECOM's Philosophy 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 employees' job satisfaction. Since 2016, we have conducted an annual anonymous employee job satisfaction survey. In the fiscal year ended March 31, 2022, the response rate for this survey was 82.1%.

Reflecting our fundamental belief that the growth of our employees is inextricably linked to our prosperity, we signed a union membership qualification agreement with SECOM Lively Union (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%.

- **Nursing care leave or change in working hours/exemption (shorter working hours) for nursing care:** 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 overseas and provides support for long-term career advancement
- **Job Return Program:** Enables people who have left employment at SECOM for unavoidable reasons such as childbirth, childcare or nursing care to apply to return to work

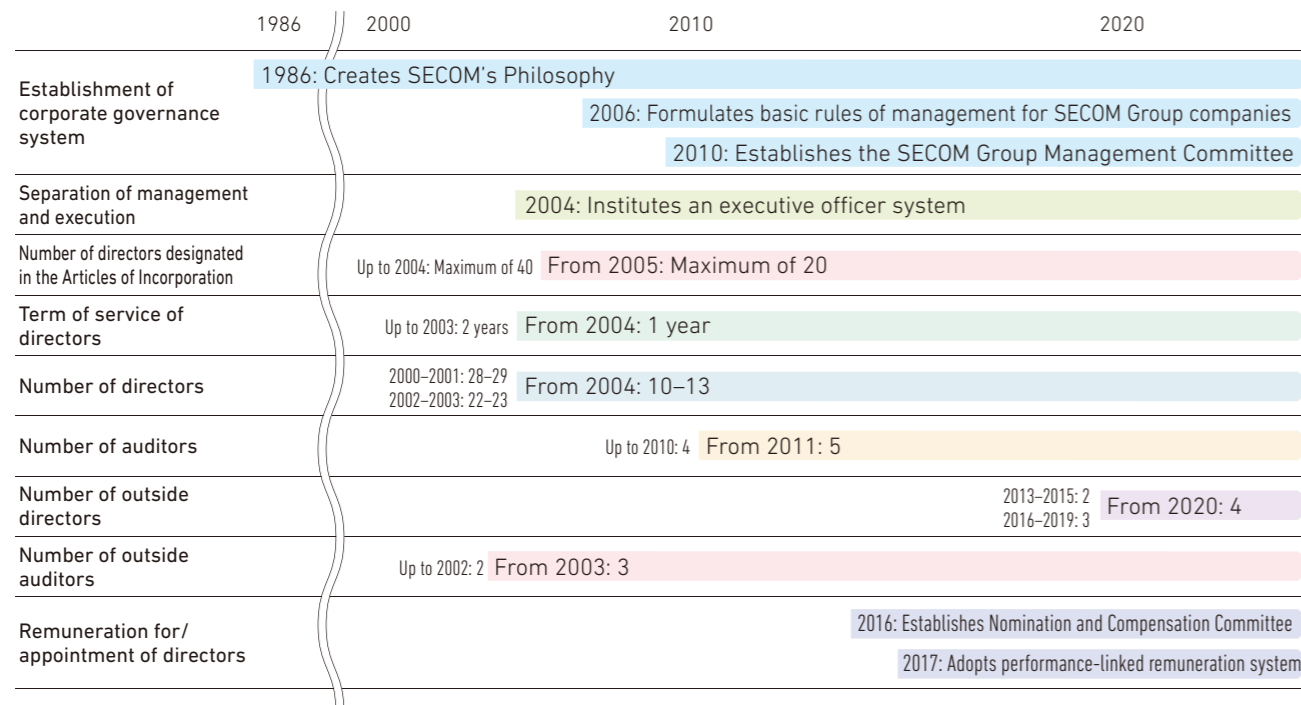




Core theme 1 Corporate governance

Independent oversight of management and ensure proper business execution while working to actively disclose information to shareholders and other 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.

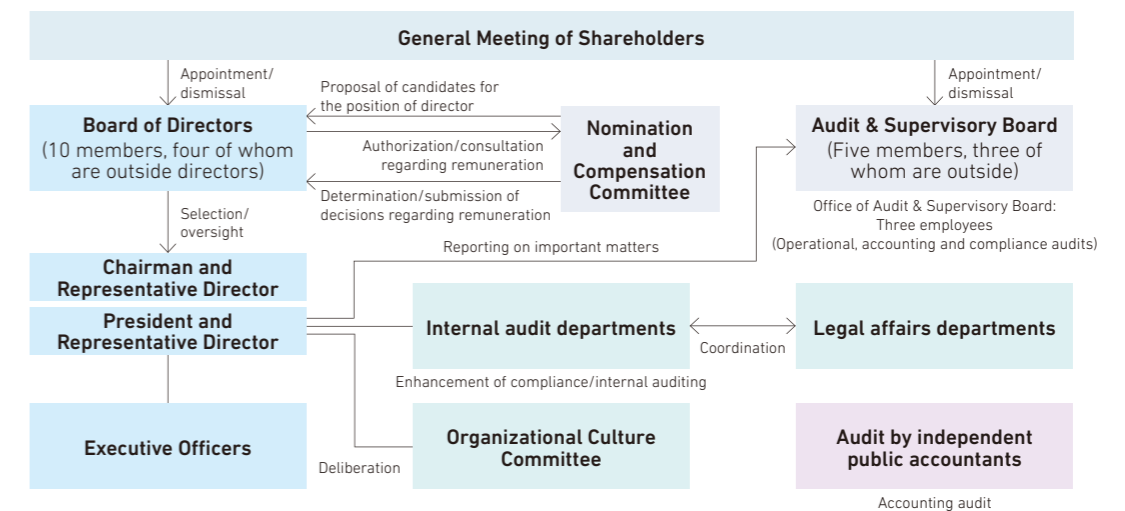
Outline of corporate governance system

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, four 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 six directors, four of whom are outside.

Corporate Governance Organization



Board of Directors
The Board of Directors comprises 10 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 10 members are responsible for business execution, with the remaining four 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 28 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 whom 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
Yasuo Nakayama Chairman and Representative Director	●	●		●	●		
Ichiro Ozeki President and Representative Director	●	●			●	●	
Yasuyuki Yoshida Senior Executive Director	●	●	●		●		
Tatsuro Fuse Executive Director	●			●	●	●	
Tatsuya Izumida Director	●				●	●	●
Tatsushi Kurihara Director	●	●		●	●		
Takaharu Hirose Outside Director	●			●		●	●
Hirobumi Kawano Outside Director	●		●	●			●
Hajime Watanabe Outside Director	●	●	●				
Miri Hara Outside Director	●	●		●			
Takayuki Ito Audit & Supervisory Board Member	●	●	●		●		
Koji Kato 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, 2022

Participation in meetings of the Board of Directors	100%
Participation in meetings of the Audit & Supervisory Board	100%
Information sessions with directors and other executives of the parent company, subsidiaries and affiliated companies	76 times
Audits conducted by Audit & Supervisory Board members at remote locations	76 locations

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 Audit & Supervisory Board Members) that operates independent of day-to-day operations and a process (including periodic meetings between the President and

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 witnesses during audits conducted by the accounting auditors at remote locations and during audit reviews (22 times in the fiscal year ended March 31, 2022).

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

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.	13 13	—
	Hirobumi Kawano	Mr. Kawano offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained through the holding of important positions in government. 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.	13 13	—
	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.	13 13	—
Outside Audit & Supervisory Board members	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.	13 13	—
	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.	13 13	12 12
	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.	13 13	12 12
	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.	13 13	12 12

Note: Information on attendance at meetings of the Board of Directors and Audit & Supervisory Board is for the fiscal year ended March 31, 2022.

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 based on consolidated operating profit, a key management target, as

well as on job responsibilities and years of service. The relative proportion of fixed monthly salary, bonuses, and shared-based remuneration paid to directors (excluding outside directors) is approximately 80:15:5.

Remuneration for Audit & Supervisory Board members, which comprises pecuniary remuneration only, is determined through discussion involving Audit & Supervisory Board members in amounts commensurate with job responsibilities. Remuneration for Audit & Supervisory Board members is set within the maximum limit resolved at the Ordinary General Meeting of Shareholders.

Remuneration for Directors and Audit & Supervisory Board Members in the Fiscal Year Ended March 31, 2022

Position	Total remuneration (Millions of yen)	Breakdown of total remuneration (Millions of yen)				Number of entitled individuals
		Basic remuneration	Performance-based remuneration		Nonpecuniary remuneration	
		Fixed salary	Stock options	Bonus	Restricted stock	
Directors (excluding outside directors)	374	298	—	57	18	7
Audit & Supervisory Board members (excluding outside members)	45	45	—	—	—	2
Outside directors	40	40	—	—	—	4
Outside Audit & Supervisory Board members	25	25	—	—	—	3
Total	485	409	—	57	18	16

Note: The target for consolidated operating profit for the fiscal year ended March 31, 2022, was ¥139,500 million, while the actual result was ¥143,499 million. (Japanese GAAP)

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.

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 2022 and responses were collated by the Board's secretariat in early March. Findings were subsequently discussed by the Board.

Summary of findings

Composition of the Board of Directors

The opinion was expressed that the diversity of the Board of Directors and the balance between execution and oversight are suitable and that the Board is an appropriate size to ensure active discussion and swift decision making. While it was acknowledged that the appointment of a female director in 2020 has improved gender diversity, and that the percentage of outside directors has increased, constructive views were also expressed regarding further diversification of the Board's composition in terms of gender and other considerations, including the need to promote female directors from within.

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

Status of strategic shareholdings

Policy on shareholdings

We may, after comprehensive examination, acquire and/or hold listed shares for the purpose of business participation, collaboration, capital or business tie-up, business incubation, or the maintenance or expansion of transactions involving our services and products.

resolution. Both outside directors and outside Audit & Supervisory Board members actively made comments and 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 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 and changes in the operating environment and related risks arising from technological innovation and a declining labor force.

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.

Directors, Audit & Supervisory Board Members and Executive Officers

(As of July 31, 2022)

Directors



Yasuo Nakayama
Chairman and Representative Director

Ichiro Ozeki
President and Representative Director

Yasuyuki Yoshida
Senior Executive Director

Tatsuro Fuse
Executive Director



Tatsuya Izumida
Director

Tatsushi Kurihara
Director

Takaharu Hirose
Outside Director

Hirobumi Kawano
Outside Director

Hajime Watanabe
Outside Director

Miri Hara
Outside Director

Audit & Supervisory Board Members



Takayuki Ito
Audit & Supervisory Board Member

Koji Kato
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

Executive Team

Directors

Yasuo Nakayama
Chairman and Representative Director

Ichiro Ozeki
President and Representative Director

Yasuyuki Yoshida
Senior Executive Director

Tatsuro Fuse
Executive Director

Tatsuya Izumida
Director

Tatsushi Kurihara
Director

Executive Officers

Kenichi Furukawa
Managing Executive Officer

Osamu Ueda
Managing Executive Officer

Yoshinori Yamanaka
Managing Executive Officer

Yoichi Sugimoto
Managing Executive Officer

Sumiyuki Fukumitsu
Managing Executive Officer

Osamu Nagai
Managing Executive Officer

Kensuke Shindo
Executive Officer

Yasufumi Kuwahara
Executive Officer

Noriyuki Fukuoka
Executive Officer

Takeshi Akagi
Executive Officer

Sadahiro Sato
Executive Officer

Seiya Nagao
Executive Officer

Noriyuki Uematsu
Executive Officer

Atsushi Komatsu
Executive Officer

Takehiko Senda
Executive Officer

Takashi Nakada
Executive Officer

Michiyoshi Morita
Executive Officer

Makoto Inaba
Executive Officer

Toshinori Sugimoto
Executive Officer

Satoshi Araki
Executive Officer

Satoshi Takizawa
Executive Officer

Izumi Sawamoto
Executive Officer

Messages from Outside Officers



Takaharu Hirose
Outside Director

Important position concurrently held in another organization
Chairman and Representative Director, Monitas, Inc.

SECOM's Board of Directors meetings are very lively and the upbeat atmosphere ensures participants are able to discuss things in a free and open manner. When deliberating and voting on important proposals, we receive easy-to-understand explanations, based on relevant material, in advance, enabling us to engage in active, informed discussions. Ever since taking up this position in 2013, the inside directors, including the Board's chairperson, have taken a positive view of incorporating the views of outside directors and outside members of the Audit & Supervisory Board into management strategy. When I was first appointed, though, my impression was that the Company was rather conservative, which seemed fitting for a security services company. I am proud that by providing objective, sometimes opposing, opinions, I and the other outside directors have been able to play a role in galvanizing the Board of Directors to be more proactive in taking on challenges. The Company's 10 directors currently include four outside directors. We come from a variety of backgrounds and bring a wealth of knowledge, so I believe this is an appropriate composition.

Since my student days, I have been involved in the launch of start-ups and the establishment and management of industry associations. Based on my experience, I have spoken at Board of Directors meetings about the need to be open to incorporating new technologies from other companies, rather than insisting on only using the Company's own technologies, given the dizzying pace of technological change today. This is one factor that has encouraged SECOM to promote open innovation. Looking ahead, I would like to help create a system for fostering the ambitious young employees that will be responsible for driving the SECOM Group forward and ensure sustainable growth.

With society continuing to evolve dramatically, I see one of my roles as outside director as being to encourage the Board of Directors to further advance discussion from a medium- to long-term perspective regarding, among others, the general direction of management strategies and associated risks in an era of uncertainty.



Miri Hara
Outside Director

Important positions concurrently held in other organizations
Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc.
Outside Director, Nippon Sanso Holdings Corporation

Two years have passed since I was appointed to the position of outside director at SECOM. The Board's chairperson actively encourages all directors to speak at meetings, so discussions are always spirited. If I have any questions, I can ask them frankly and without trepidation and the relevant inside director will respond and provide a detailed explanation. One time, I asked if it was possible to create a simpler monitoring system for seniors. This was just about the time we announced the SECOM Monitoring Service for Seniors, which allows family members to monitor seniors from a smartphone. Listening to the meticulous explanation given by the director, I was reminded once again of the firm grasp SECOM has on the needs of a diverse range of customers.

I recognize that expressing opinions from the perspective of a woman with experiences that have real relevance to the daily lives of ordinary people is also something expected of me as an outside director. I am concerned about the fact that SECOM has only one woman on its Board of Directors. In April 2021, the Company formulated an action plan for fostering career opportunities for female employees and works to support women's efforts to achieve a balance between their careers and private lives. If feasible, I would like to have the opportunity to meet with female employees to discuss measures to further bolster their professional motivation.

In recent years, companies' efforts to address ESG-related issues are attracting considerable attention. To my mind, SECOM's greatest strength on this front is that it has always conducted its operations in accordance with a corporate philosophy and code of conduct that emphasize social contribution and the fair assessment of value. SECOM has taken its first steps toward becoming a global organization. I look forward to the SECOM Group's people around the world remaining true to its corporate philosophy as they seek to respond to the universal desire for *ANSHIN*, peace of mind, earn the trust of customers and expand the Group's presence in overseas markets.

Core theme 2 Compliance

Efforts 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.

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, 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. Whistle-blowers are notified confidentially of the nature and outcome of investigations.

Whistle-Blower Reports Received

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Number of reports	56	74	92

Note: Numbers represent the actual number of reports received across the SECOM Group. Beginning in the fiscal year ended March 31, 2022, this includes reports received through the Hot Helpline, the Group Head Office Helpline and the Harassment Help Desk.

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.

Core theme 3 Information and data security

Promotion of information security through the establishment of the SECOM Group Information Security Basic Policy and creating and operating a robust information security system

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 has 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 promote stringent

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 subsidiary Secom Trust Systems 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 swift and appropriate responses. The parent company and Secom Trust Systems 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, 2022)

- 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.





Core theme 1 Environmental management

Evaluation and management of the progress of environmental conservation initiatives against environmental key management indicators and response to the recommendations of the TCFD

We have established a common Group environmental philosophy and basic environmental policy, in line with which we conduct our operations in a manner that takes environmental conservation into account. We evaluate and manage the SECOM Group's progress in promoting these initiatives against seven major environmental management indicators.

- Environmental management key performance indicators**
1. Greenhouse gas emissions (Scopes 1 and 2)
 2. Greenhouse gas emissions across the supply chain (Scope 3)
 3. Reduction of greenhouse gas emissions as against base year (%)
 4. CO₂ emissions per unit of production (emissions intensity)
 5. Electricity used and percent 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
- 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)

Response to the recommendations of the TCFD
 In July 2019, we declared our support for the TCFD. To maintain services and systems in our security services and other businesses, we have established a Risk Committee and assess risks from multiple perspectives, including scope of impact, scale, anticipated monetary cost of damage, urgency, and frequency of occurrence, based on the results of Companywide risk analysis.

We recognize a variety of risks and opportunities related to climate change. We acknowledge that risks pertaining to fluctuations in the price of fuel consumed by vehicles used in our security services business and the introduction of a carbon tax, as well as to the impact of climate change on our nonlife insurance and data center services businesses, will increase. At the same time, we also understand that shifting customer needs will yield opportunities to expand demand for new services. Accordingly, we will promote strategies that seek to capitalize on opportunities while remaining mindful of the potential impact of risks on our operations.



Core theme 2 Prevention of global warming

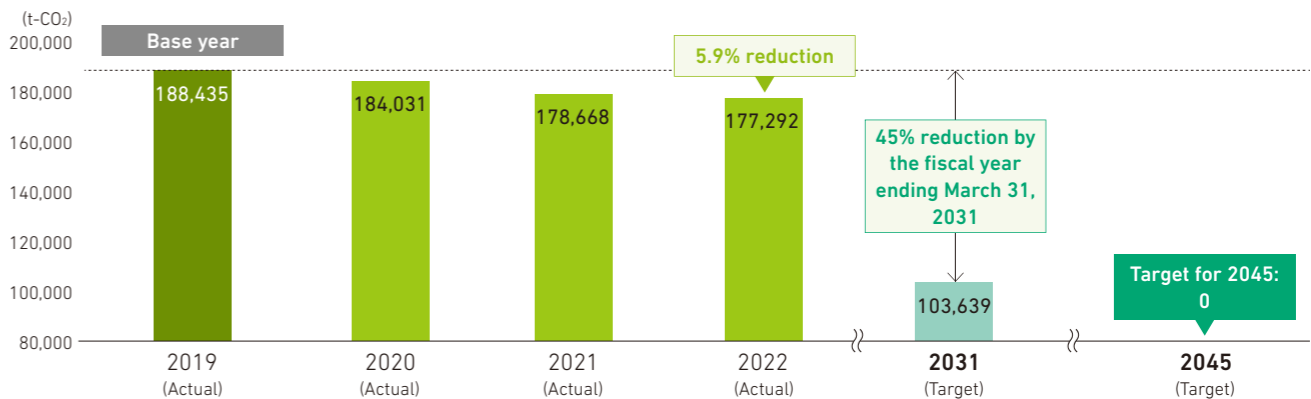
Setting a medium- to long-term target for achieving carbon neutrality by 2045

In response to the accelerating global move toward decarbonization, in May 2021 we set new greenhouse gas emissions reduction targets. These targets have been certified under the SBTi, which 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.

- Long-term targets**
- Scope 1 and 2:** Reduction of greenhouse gas emissions to zero by 2045
 - Scope 3:** Reduction of greenhouse gas emissions to zero by 2050
- Medium-term targets**
- Scope 1 and 2:** 45% reduction in greenhouse gas emissions from the fiscal year ended March 31, 2019, by the fiscal year ending March 31, 2031
 - Scope 3:** 40% reduction in greenhouse gas emissions from the fiscal year ended March 31, 2019, by the fiscal year ending March 31, 2031



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)

Decarbonization initiatives by At Tokyo
 Data center services company At Tokyo promotes a variety of active measures to help address global warming. In October 2022, the company plans to introduce a green power optional service, which will provide the environmental value originating from using renewable energy sources to power its data centers to its customers. At Tokyo will continue to accelerate its efforts to advance decarbonization in the years ahead.