

Social initiatives

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.



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.

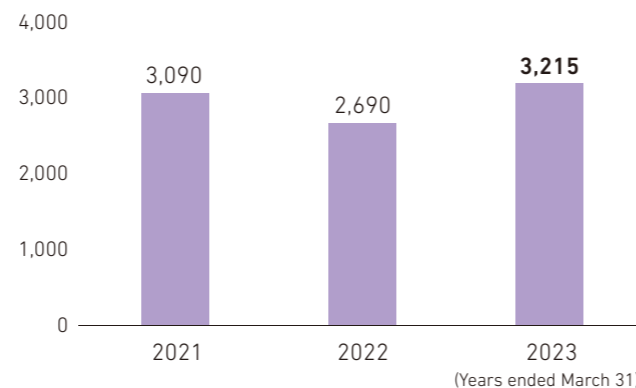
The Human Resources Department has established a system to comprehensively manage occupational health in collaboration with the Health Promotion Office, which is staffed with occupational health physicians (OHPs), and the SECOM Health Insurance Union. Site health committees across Japan meet to discuss 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

Participants in Training Aimed at Preventing Occupational Accidents

(Number of people)



*Scope of reporting: SECOM CO., LTD., and certain SECOM Group companies
The method of calculation was revised in the fiscal year ended March 31, 2023, and data for previous years was revised.

occupational safety. Of note, we have developed training to 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.

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

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

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.

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 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. In the fiscal year ended March 31, 2023, we introduced a program to commend sites that take steps to improve workplace culture with the aim of creating a more open atmosphere.

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 also launched a variety of

Average Hours Spent by Employees in Training

Fiscal year ended March 31, 2022	42.2 hours
Fiscal year ended March 31, 2023	42.6 hours

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 to improve effectiveness and ensure employees acquire excellent discernment and know-how. Going forward, we aim to expand training for management-level employees, as well as to increase e-learning-based training opportunities.

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.

Diversity

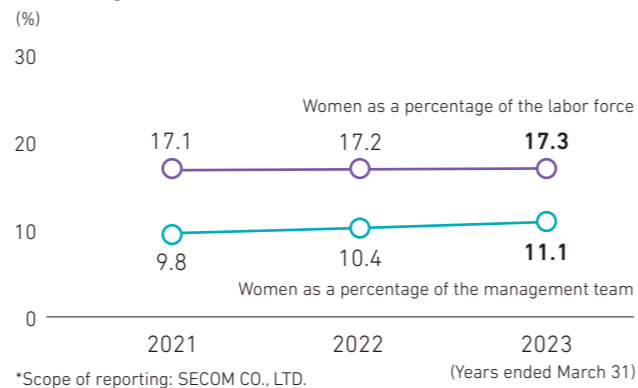
Diversity and inclusion staff have been assigned to the Human Resource Department to promote the creation of positive work environments in which diverse employees can maximize their capabilities.

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.

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 female employees qualified to assume positions of responsibility is increasing steadily.

Women have been appointed to management positions in the home security services business' sales department and in site administrative offices. In April 2023, we appointed female employees to the position of manager at security services offices, a move that had long been under consideration.

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



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, we have established a variety of vacation and leave systems.

- **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

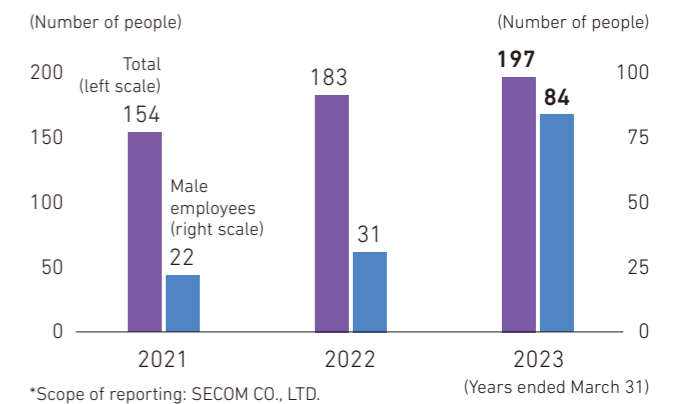
- **Maternity leave:** Available for the six weeks prior to and eight weeks after giving birth; an additional two weeks is available to employees who wish to start their maternity leave earlier
- **Childcare leave:** Can be taken by up until the day before the child's third birthday. This system has also been available to male employees since 2002 and we continue working to bolster awareness and use by creating conducive work environments
- **Change in working hours/exemption (shorter working hours) for childcare:** Allows employees who are pregnant or have children who have not yet entered the third 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:** 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 who have left employment at SECOM for unavoidable reasons such as childbirth, childcare or nursing care to apply to return to work

Percentage of Annual Paid Vacation Days Taken by Employees



Employees Taking Childcare Leave



Employee engagement

Initiatives to boost employee job satisfaction, including raising base salaries for the second 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, 2023, the response rate for this survey was 78.5%.

With the aim of both boosting employee job satisfaction and expanding our operations, we resolved to grant shares of common stock as restricted stock to approximately 23,000 SECOM Group employees in March 2024.

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%. Management representatives, including the President and Representative Director, meet monthly with SECOM Lively Union 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 Lively Union also exchanges views with management through meetings with employees on organizational culture and the SECOM Employee Central Council.

Governance initiatives

SECOM's approach

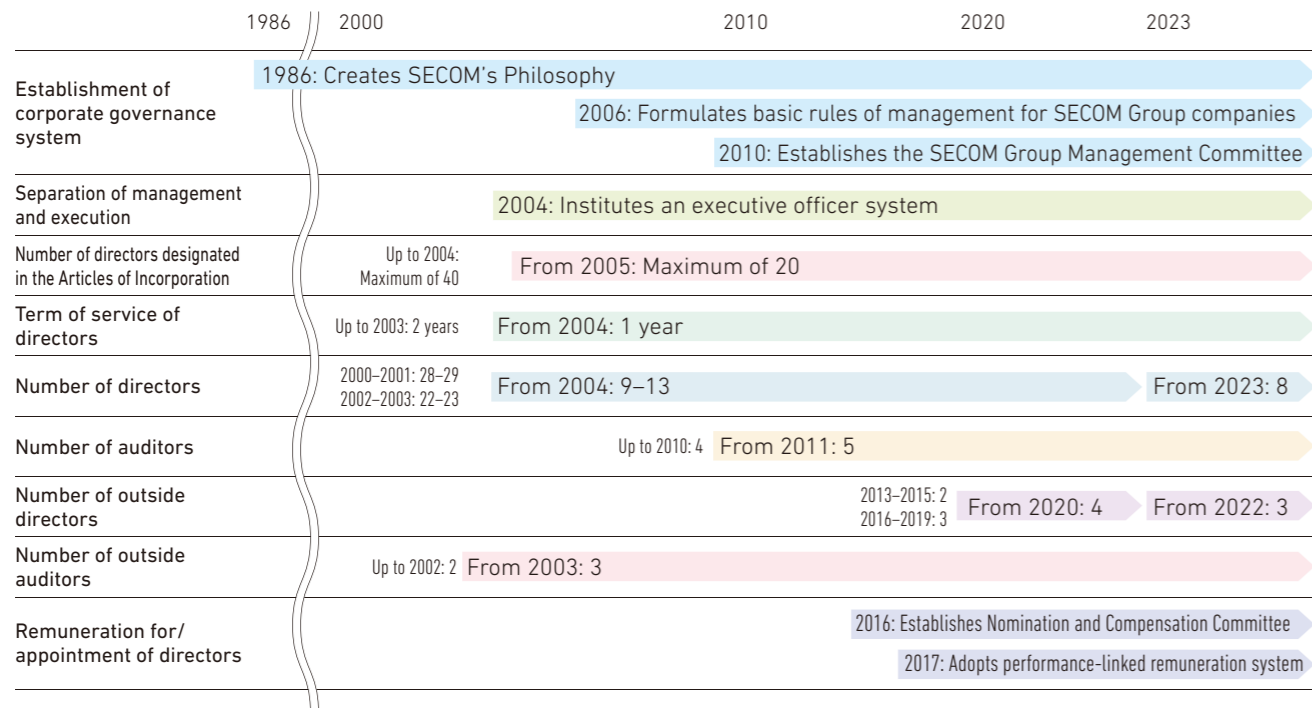
To fulfill our responsibilities to stakeholders, we work continuously to strengthen corporate governance by enhancing transparency, ensuring fairness, expediting decision making and guaranteeing the independent oversight of management, which we have positioned as key management challenges.



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.

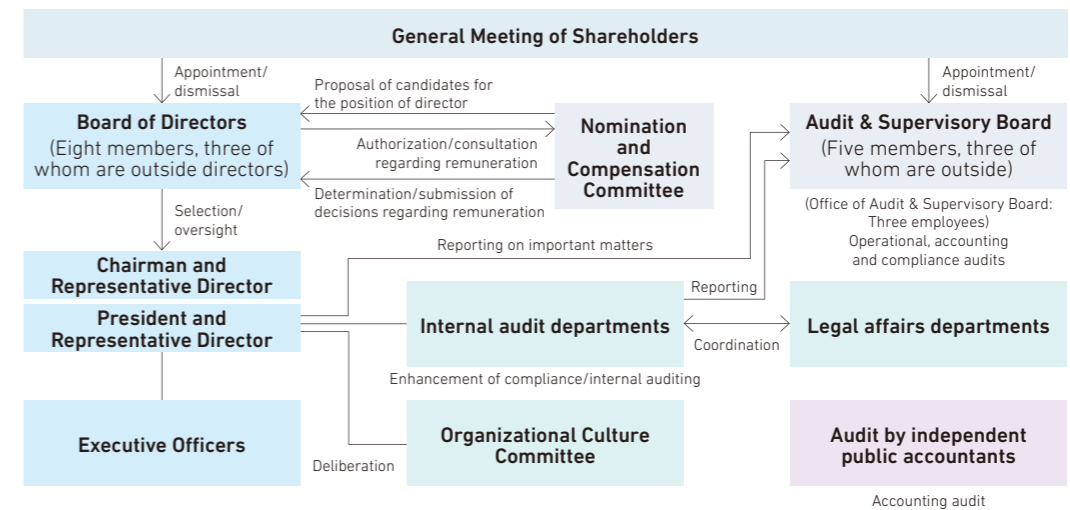
Outline of corporate governance system

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, three 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 eight 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. Five of the eight members are responsible for business execution, with the remaining three 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, five 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
Yasuo Nakayama Chairman and Representative Director	●	●		●	●		
Ichiro Ozeki President and Representative Director	●	●			●	●	
Yasuyuki Yoshida Senior Executive Director	●	●	●		●		
Tatsuro Fuse Executive Director	●			●	●	●	
Tatsushi Kurihara Director	●	●		●	●		
Takaharu Hirose Outside Director	●			●		●	●
Hajime Watanabe Outside Director	●	●	●				
Miri Hara 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, 2023

Participation in meetings of the Board of Directors	98.3%
Participation in meetings of the Audit & Supervisory Board	98.3%
Information sessions with directors and other executives of the parent company, subsidiaries and affiliated companies	60 times
Audits conducted by Audit & Supervisory Board members at remote locations	84 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 observers during audits conducted by the accounting auditors at remote locations and during audit reviews (19 times in the fiscal year ended March 31, 2023).

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	12 12	—
	Hirobumi Kawano	3 7	—
	Hajime Watanabe	12 12	—
Outside Audit & Supervisory Board members	Miri Hara	12 12	—
	Hideki Kato	12 12	12 12
	Makoto Yasuda	12 12	12 12
	Setsuo Tanaka	11 12	11 12

Notes: 1. Information on attendance at meetings of the Board of Directors and Audit & Supervisory Board is for the fiscal year ended March 31, 2023.
2. Information for Outside Director Hirobumi Kawano is for meetings held prior to his retirement on November 5, 2022.

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 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. It has been

resolved that from the fiscal year ending March 31, 2025, the relative proportion will be 65:15:20. It has also been resolved that beginning in the fiscal year ending March 31, 2025, bonuses for directors (excluding outside directors) will be made with comprehensive consideration given to degree of achievement of targets for operating profit, earnings per share and employee engagement (employee satisfaction).

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, 2023

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)	323	262	—	45	16	7
Audit & Supervisory Board members (excluding outside members)	46	46	—	—	—	2
Outside directors	37	37	—	—	—	4
Outside Audit & Supervisory Board members	27	27	—	—	—	3
Total	435	374	—	45	16	16

Notes: 1. Director and Advisor Makoto Iida retired on June 28, 2022. Outside Director Hirobumi Kawano retired on November 5, 2022.
2. The Company's target for consolidated operating profit in the fiscal year ended March 31, 2023, was ¥134,000 million. The actual result was ¥136,700 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 2023 and responses were collated by the Board's secretariat in late 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 promoting female directors from within 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 expressed the opinion that the atmosphere was conducive to

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.

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, the prior delivery of pertinent materials to the Board of Directors, and the move toward paperless procedures 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, 2023)

Directors



Yasuo Nakayama
Chairman and
Representative Director

Ichiro Ozeki
President and
Representative Director

Yasuyuki Yoshida
Senior Executive
Director

Tatsuro Fuse
Executive Director



Tatsushi Kurihara
Director

Takaharu Hirose
Outside Director

Hajime Watanabe
Outside Director

Miri Hara
Outside Director

Audit & Supervisory Board Members



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

Executive Team

Directors

Yasuo Nakayama
Chairman and
Representative Director
Ichiro Ozeki
President and
Representative Director
Yasuyuki Yoshida
Senior Executive Director
Tatsuro Fuse
Executive Director
Tatsushi Kurihara
Director

Executive Officers

Kenichi Furukawa
Managing Executive Officer
Tatsuya Izumida
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
Sadahiro Sato
Managing Executive Officer

Kensuke Shindo
Executive Officer
Yasufumi Kuwahara
Executive Officer
Noriyuki Fukuoka
Executive Officer
Takeshi Akagi
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
Akira Kubota
Executive Officer
Masahiko Naito
Executive Officer
Shinji Kiren
Executive Officer
Minoru Takezawa
Executive Officer

Message from an Outside Officer



Hajime Watanabe
Outside Director

Important position concurrently held in another organization

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

Seven years have passed since my appointment as one of SECOM's outside directors. In the decade or so since Japan inaugurated game-changing corporate governance reforms, the role of outside directors has become clearer. At SECOM, too, we have become better at fulfilling our responsibilities. Because outside directors are unconstrained by any material relationship with the Company, we are uniquely positioned to speak our minds unreservedly at Board of Directors' meetings. I think the job of an outside director also sometimes includes pushing inside directors to take the right path. I recognize that steps taken over time have greatly enhanced our ability to engage in meaningful discussion. These include the digitalization of pertinent materials in advance of each Board of Directors' meeting, which ensures all participants have an adequate understanding of matters to be addressed, thereby encouraging outside directors and outside members of the Audit & Supervisory Board to actively exchange opinions and offer proposals. As a result, we continue to see a steady improvement in the effectiveness of the Board of Directors.

Recent years have brought dramatic socioenvironmental changes, including population decline, increasingly severe natural disasters and deteriorating public safety. The resulting diversification of needs for safety and peace of mind has heightened SECOM's responsibilities, but it has also expanded opportunities. The Company's on-line security systems and pioneering subscription-based security services format is a superb business model that has proven essential in the creation of a security services infrastructure that delivers safety and peace of mind. However, I believe it is important

that the Company does not rest on its laurels, but rather works continuously to refine its current services, as well as to develop new business models. For many years, I too helmed a company that provides essential infrastructure nationwide. This, as well as my experience as an outside director at SECOM, underpin my belief that a company's customers should always be its top priority. In practice, this means paying maximum attention to the views of those closest to customers, namely, employees on the front lines. At meetings of SECOM's Board of Directors, I enthusiastically offer advice and suggestions on front-line operations and the Company's organization, both of which are essential to the Company's ability to capitalize on opportunities and evolve with the times.

I believe that human resources strategies will be essential to sustainable future growth. The SECOM brand, known for trustworthiness and dependability, has been cultivated through the day-to-day efforts of each and every employee and is something the Company must work hard to protect and enhance. The same is true of SECOM's DNA, unchanged since its founding, that is, what makes it distinctive, including its willingness to take on challenges and its spirit of creativity and innovation. Reviewing and raising salaries and employee welfare programs is an investment in the future. Continuing to treat employees generously going forward will bolster the Company's ability to attract and secure diverse, talented human resources, including women, as well as help improve employee engagement.

I appreciate that SECOM is extremely proactive in investing in future growth. I am particularly excited about its May 2023 investment in U.S. SaaS firms, which I think will be key to the development of new services and products deploying the latest technologies. It is my hope that the Company continues to leverage its solid financial foundation to promote forward-looking investments, including in human resources, facilities and acquisitions, that will position it for further growth. The SECOM Group encompasses many excellent companies that are industry leaders in their own rights, but I still see considerable scope for capitalizing on synergies to drive the Group's evolution. Looking ahead, strengthening cross-business functions and deepening collaboration within the Group will also create new business opportunities. Given the rapid evolution of technology today, I also believe it will be critical to step up open innovation, which has been a key focus in recent years.

As an outside director, I will continue working to help SECOM increase its corporate value to ensure its ability to appropriately reward all stakeholders—society at large, as well as its customers, employees and shareholders—over the medium to long term.

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 formulates an 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. In October 2022, we formulated the SECOM AI Ethics Charter, becoming the first security services company in Japan to establish guidelines for the use of AI. In accordance with this charter, we will 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, 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, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Number of reports	74	92	153

Note: Numbers represent the actual number of reports received across the SECOM Group. Since the fiscal year ended March 31, 2022, this has included 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.

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 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 quick 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, 2023)

- 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.



Environmental Initiatives

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

- Greenhouse gas emissions (Scopes 1 and 2)
- Greenhouse gas emissions across the supply chain (Scope 3)
- Reduction of greenhouse gas emissions as against base year (%)
- CO₂ emissions per unit of production (emissions intensity)
- Electricity used and percent accounted for by that generated using renewable energy
- Consumption of fuel by vehicles and percentage of vehicles replaced by electric models
- 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)

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 risks and opportunities and proposing responses. We continue to collect and examine a broad range of information on medium- to long-term climate change-related 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 30-31.



Principal Climate Change-Related Risks and Opportunities

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

Acquisition of environmental certification for new training facility

The new SECOM HD Center Gotemba training facility, which is scheduled to be completed in May 2026 (completion of structures is scheduled for January 2025), is our first to qualify for "Nearly ZEB" certification. In addition to the installation of solar panels on the roof



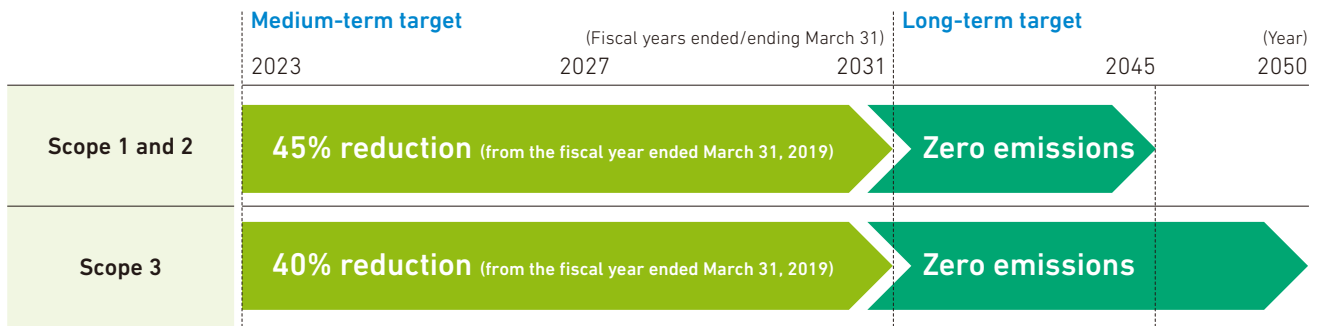
Artist's rendering of the SECOM HD Center Gotemba



and the east side of the site, we plan to construct a heliport that can be used in the event of a disaster. Going forward, we will continue to consider improving environmental and energy performance when building new or renovating existing facilities with the aim of achieving our target of carbon neutrality by 2045.

* A net Zero Energy Building (ZEB) is a building that achieves a reduction in energy consumption of 100% or more, i.e., net zero or negative net primary energy consumption, while maintaining a quality indoor environment. A Nearly ZEB building is, as its name indicates, almost ZEB, achieving a net reduction in energy consumption of 75% or more through energy saving (at least 50%) and energy creation.

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.



SCIENCE
BASED
TARGETS

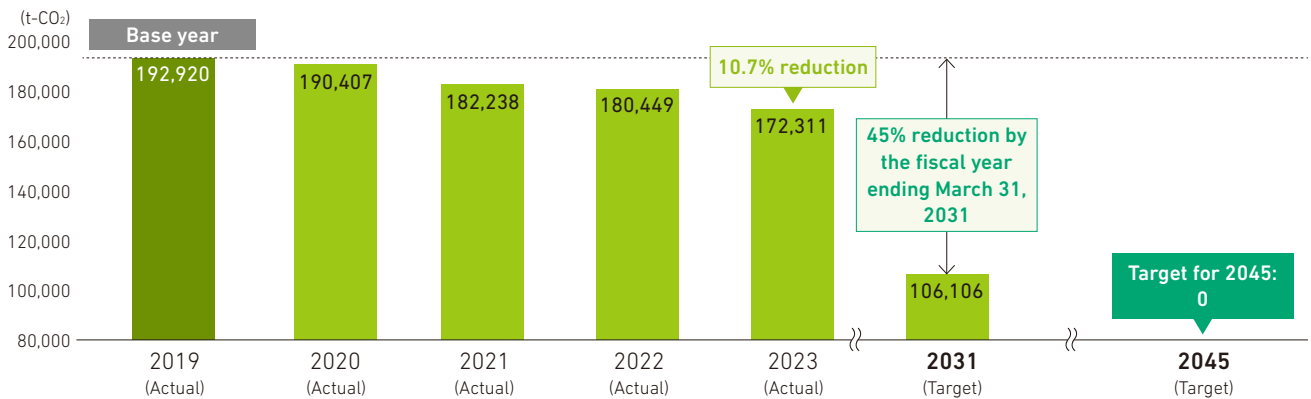
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

RE100

CLIMATE GROUP



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)