SECOM Group Road Map 2027

Review of the SECOM Group Road Map 2022

We reported record-high consolidated operating profit in the fiscal year ended March 31, 2022, despite the impact of socioenvironmental changes since the launch of the SECOM Group Road Map 2022

Results of consolidated operating profit in the fiscal year ended March 31, 2023, fell short of targets, owing to a combination of factors such as unforeseen cost increases and employee wage hikes, but efforts in line with the SECOM Group Road Map 2022 achieved solid results, underpinning the creation of a foundation for future growth

	2019 (Actual)	2020 (Actual)	2021 (Actual)	2022 (Actual)	2023 (Actual)	Road Map 2022 targets
Consolidated revenue	¥1,013.8 billion	¥1,060.0 billion	¥1,035.8 billion	¥1,049.8 billion	¥1,101.3 billion	¥1,100.0 billion
Consolidated operating profit	¥130.2 billion	¥142.8 billion	¥136.9 billion	¥143.4 billion	¥136.7 billion	¥155.0 billion
ROE	9.4%	8.8%	7.1%	8.6%	8.4%	Above 8%

(Years ended March 31)

Achievements under Road Map 2022

Launched the new System Security AZ and AZ-Air security platforms for commercial premises

Launched SECOM Monitoring Service for Seniors using a dedicated app and enhanced to link SECOM Home Security with third-party devices

Started offering security services in Turkey and established the ASEAN Innovation Center

Augmented HR technology services that are compatible with commercial security services and reinforced collaborative capabilities

Enhanced returns to employees, including by raising basic wages

Made Senon Ltd. a subsidiary and transformed Secom Joshinetsu Co., Ltd., into a wholly owned subsidiary

Background to the Formulation of the SECOM Group Road Map 2027

Socioenvironmental changes and our future approach

Technological advances	**Worsening perceptions of personal safety**	**Increasingly frequent/severe natural disasters**
Declining labor force	**Aging of society**	**Global inflation**

etc.

- **Issues, including those related to technological advances and a declining labor force, are increasing in urgency**
- **In addition to diverse socioenvironmental changes, evolving circumstances are leading to the manifestation of unforeseen risks**
- **The importance customers place on safety and peace of mind continues to grow, driven by mounting concern and unease about security issues**

By accurately grasping needs arising from these changes, and responding effectively with innovative services, we will continue striving to provide safety and peace of mind to customers whatever the situation. At the same time, we will work to address social imperatives, positioning us to achieve sustainable growth together with society.
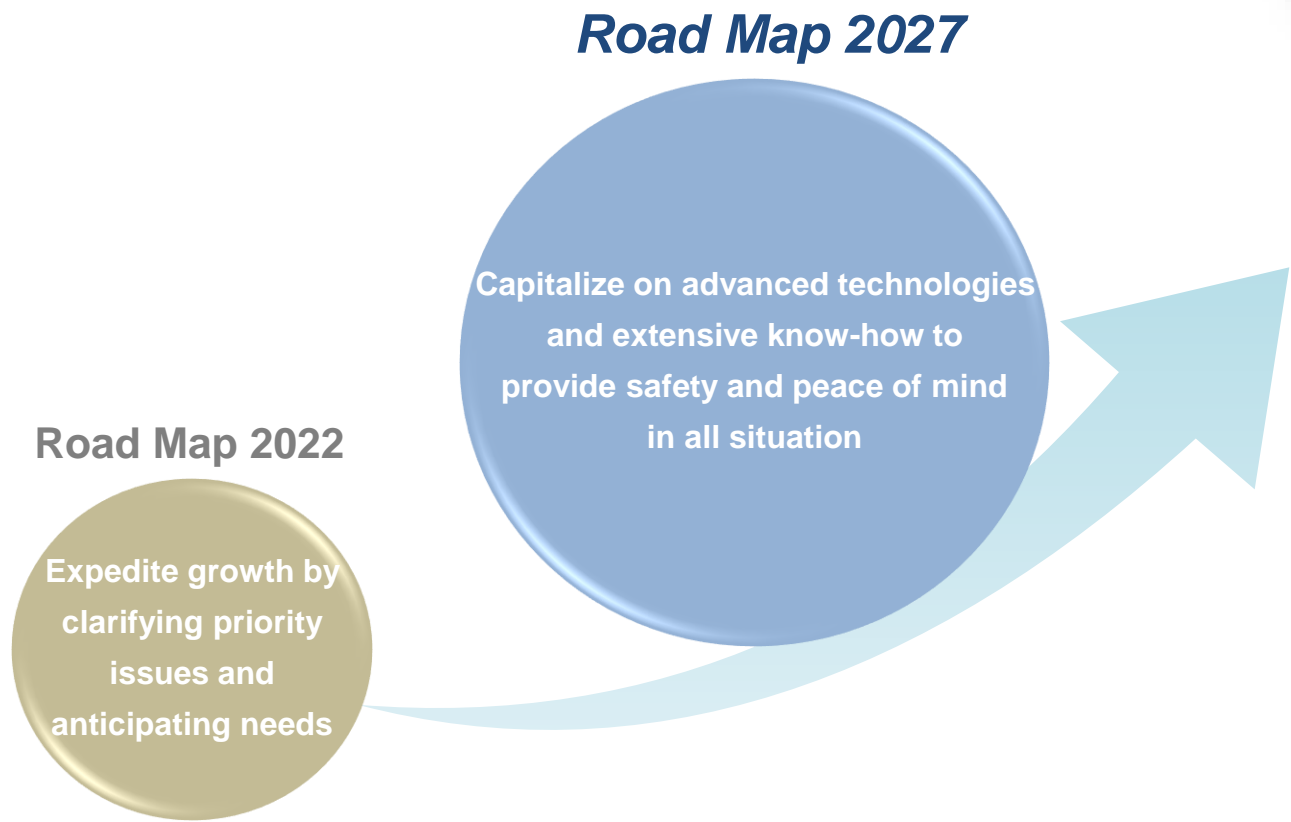
Formulation of the SECOM Group Road Map 2027

- **We formulated the SECOM Group Road Map 2027 with the intention of sharing our future direction with our stakeholders**

Seeking to deliver enduring safety and peace of mind to customers in an ever-changing society, we will continue to expand and enhance our core strategies. Through these efforts, we will strive to extend a steady stream of distinctive services that deliver safety and peace of mind, as well as make life more comfortable and convenient, while intensifying our emphasis on stakeholder returns.

Positioning of the SECOM Group Road Map 2027

With the aim of realizing the goals of the SECOM Group's Vision for 2030, we have clarified our strategic focus through 2027
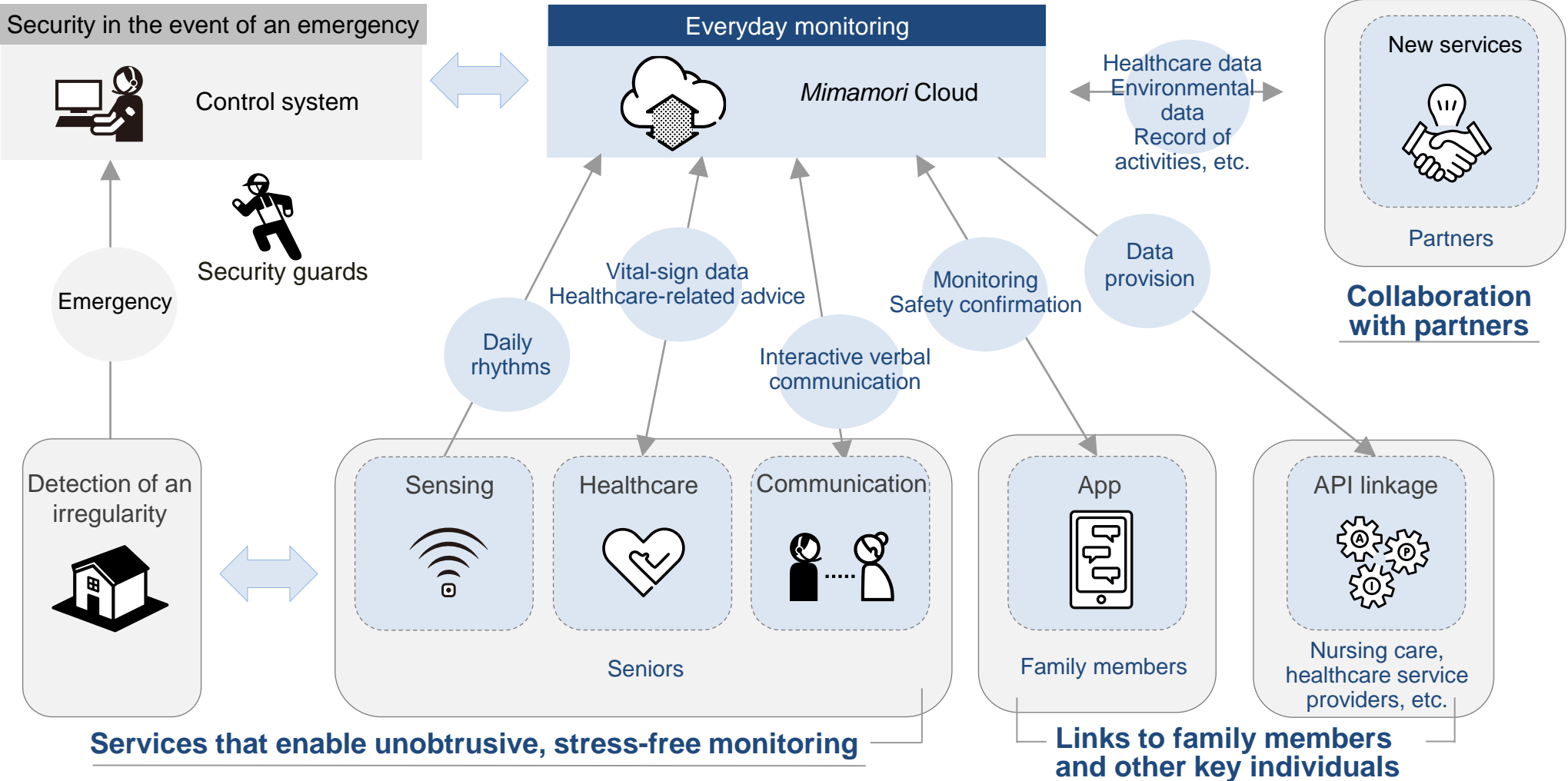

2030 VISION
SECOM GROUP

Road Map 2027

Capitalize on advanced technologies and extensive know-how to provide safety and peace of mind in all situation

Road Map 2022

Expedite growth by clarifying priority issues and anticipating needs

SECOM あんしん プラットフォーム ANSHIN PLATFORM

Connection   Enhanced value

ALL SECOM   Collaboration

2018–2022   2023–2027   2030

Collaboration with Partners

Communicate new value to society in a manner that transcends the traditional security services framework through open innovation involving partners who share our philosophy

Overseas Technology Companies

Companies in Other Industries

SECOM OPEN INNOVATION

Domestic Technology Companies

Start-up Companies

✓ Develop new services that leverage cutting-edge technologies
✓ Deliver an unprecedented user experience
✓ Drive evolution of existing services and enhance service quality

Promoting further open innovation with a wide variety of companies

Outline of the SECOM Group Road Map 2027

Road Map 2027

Capitalize on advanced technologies and extensive know-how to provide safety and peace of mind in all situations

Core strategies	Key initiatives
Expand monitoring and security services	**Provide innovative security-focused services and solutions** ➢ **Realize seamless protection by linking diverse information in the *Mimamori* ("Monitoring") Cloud** ➢ **Create a business infrastructure that combines robust security and an open cloud**
Strengthen overseas operations	**Realize further growth in promising overseas markets** ➢ **Add depth to existing security services and medical services businesses** ➢ **Cultivate new business portfolios in new overseas markets and new business areas**
Reinforce BPO and ICT services	**Create an infrastructure that supports customers' operations** ➢ **Enhance service infrastructure by establishing new data centers and expanding network** ➢ **Expand solutions to assist customers in ensuring smooth operations and provide effective business process outsourcing (BPO) services**
Improve productivity	**Enhance productivity by maximizing service value and improving operational efficiency** ➢ **Implement initiatives that facilitate the provision of a steady stream of new services and maximize service value** ➢ **Leverage the latest technologies to help employees reach their full potential and improve operational efficiency**
Reward stakeholders	**Ensure SECOM remains the company of choice for all stakeholders** ➢ **Securing and fostering human resources by improving working environment including measures designed to bolster employee engagement** ➢ **Press ahead with sustainability initiatives to earn the trust of all stakeholders**

# Security Services: Develop More Advanced Monitoring Services

Combine home security and the Mimamori *Cloud to offer a wide range of services for seniors, their family members, nursing care providers and others*

Security in the event of an emergency

Control system

Security guards

Emergency

Detection of an irregularity

Everyday monitoring

Mimamori Cloud

Healthcare data
Environmental data
Record of activities, etc.

New services

Partners

Collaboration with partners

Vital-sign data
Healthcare-related advice

Daily rhythms

Interactive verbal communication

Monitoring
Safety confirmation

Data provision

Sensing

Healthcare

Communication

Seniors

App

Family members

API linkage

Nursing care, healthcare service providers, etc.

Services that enable unobtrusive, stress-free monitoring

Links to family members and other key individuals

- Highly accurate, discreet sensing, linked to various devices used on a daily basis

Providing peace of mind in all aspects of daily life

Security Services: Integrate Robust Security with an Open Cloud

Enhance lineup of linkable open cloud services based on System Security AZ for commercial customers

Robust security services

Control system

Security guards

System Security AZ

Security cameras and access control
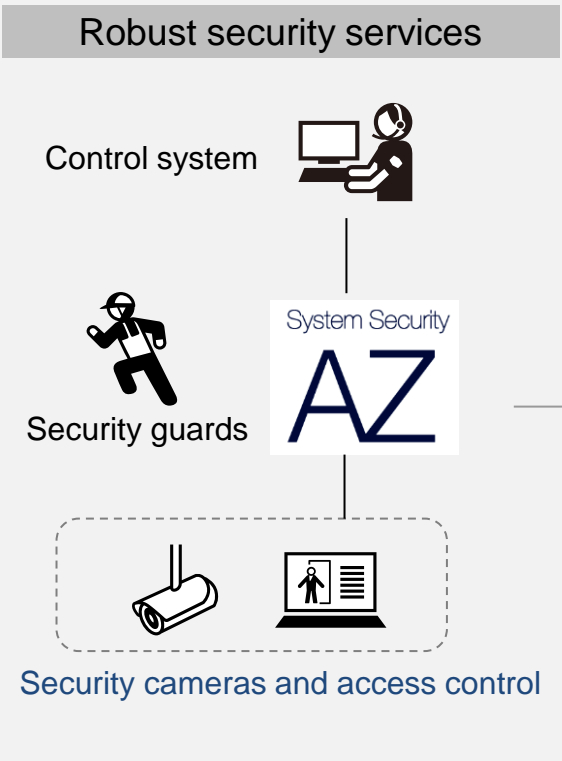
Open cloud services

Development of apps based on security system information

- Remote management tools that reduce staffing and labor requirements
- Portal services that centralize status management for multiple sites

Linkage to third-party services through collaboration with partners

- Access control services, ID management services
- HR technology services (employee attendance management, etc.)

Infrastructure centered on System Security AZ

- Integration and centralization of on-line monitoring, facility access control, image recording and other functions
- Continuous evolution through linkage with multiple devices and the application of AI, among others

Evolving beyond security services to become a provider of business infrastructures that support customers' operations

Security Services: Create SaaS Models for the Provision of Merchandise

Transform the provision of merchandise for on-line security systems into a service-based business suited to the cloud era

Video Surveillance as a Service (VSaaS)

- Provision of cloud-based services for managing surveillance camera images and detection events

AI-based event detection

Visitors

Congestion
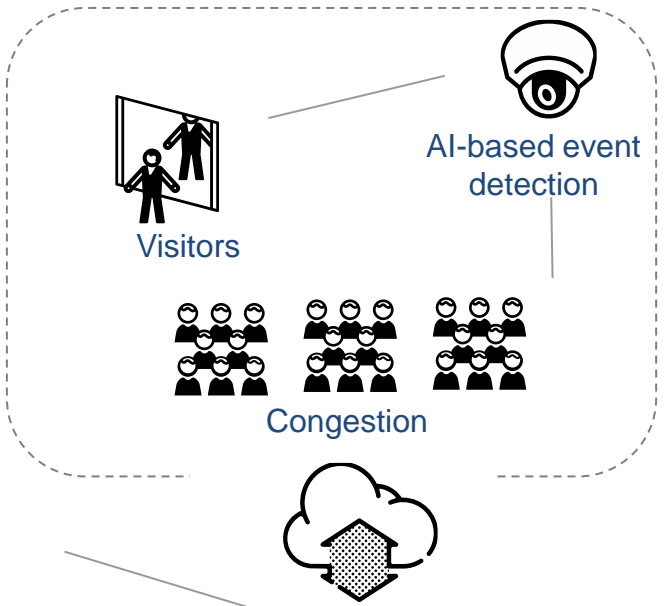
Access Control as a Service (ACaaS)

- Centralized management of access authorization, as well as of entry/exit record and image storage, in the cloud

STOP

Access authorization

Entry and exit records

Images of people entering and exiting

IoT as a Service (IoTaaS)

- Provision of a communications environment and user interface as one set to connect IoT terminals installed in various equipment and facilities
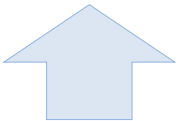
Surveillance cameras

Air conditioning equipment

28℃
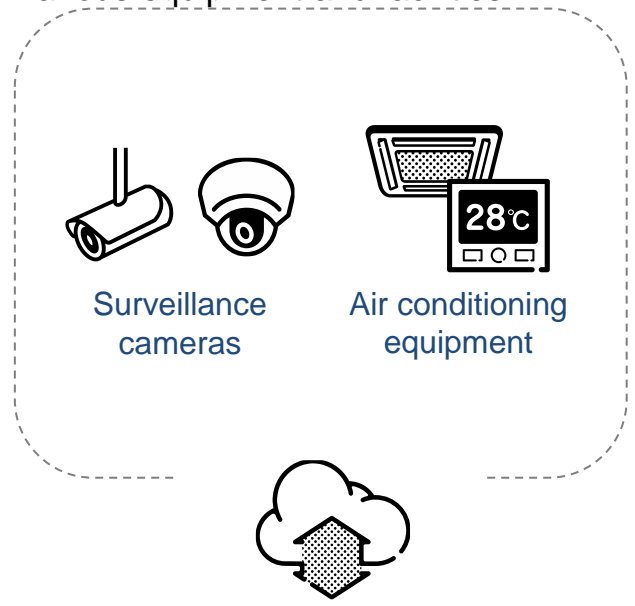
Utilizing SECOM know-how to offer services that are safe, advanced and easy to use
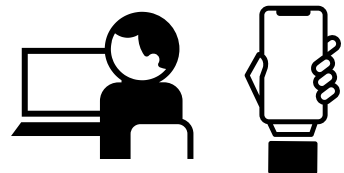
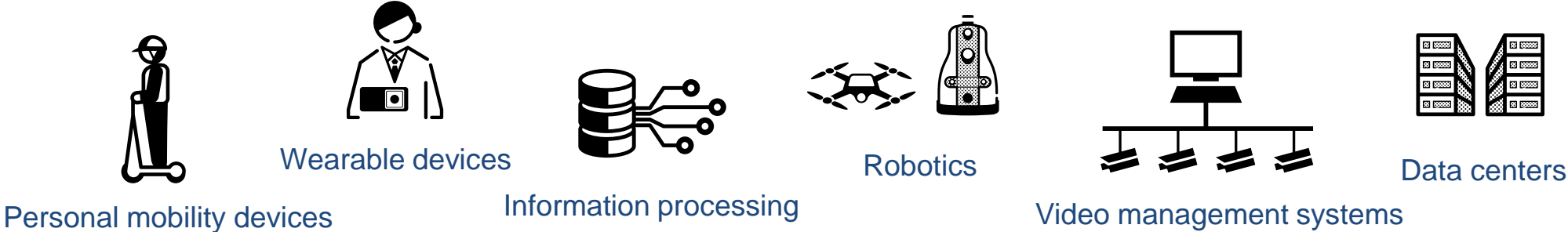Provision of interactive services that make use of PCs, smartphones and other devices

Security Services: Promote DX in the Security Market

Promote Security DX with the objective of extending SECOM systems and know-how to partners who share our philosophy

Static guards	Event security	Facility management	Transport of valuables

Assisting partners that share our philosophy to drive digital transformation

Security DX Supported by SECOM

Provided via an open framework

SECOM security systems that employ the latest technologies

Personal mobility devices

Wearable devices

Information processing

Robotics

Video management systems

Data centers

Driving improvements in the quality of safety and peace of mind for communities and society as a whole

Strengthen Overseas Operations

Strive to boost revenue generated overseas to 10% of the consolidated total by strengthening operations in promising markets through both organic growth and M&As

■ Add depth to existing businesses

- Expand security services that employ the latest technologies
- Establish a globally recognized brand
- Broaden operating foundation in Asia, Oceania and elsewhere
- Boost hospital operations in India, including by establishing new facilities

SECOM **SAKRA WORLD HOSPITAL**
JV by SECOM & TOYOTA TSUSHO, JAPAN

■ Expand into new businesses

- Leverage new technologies and solutions to enhance services and systems
- Seek opportunities for collaboration with other companies and M&As
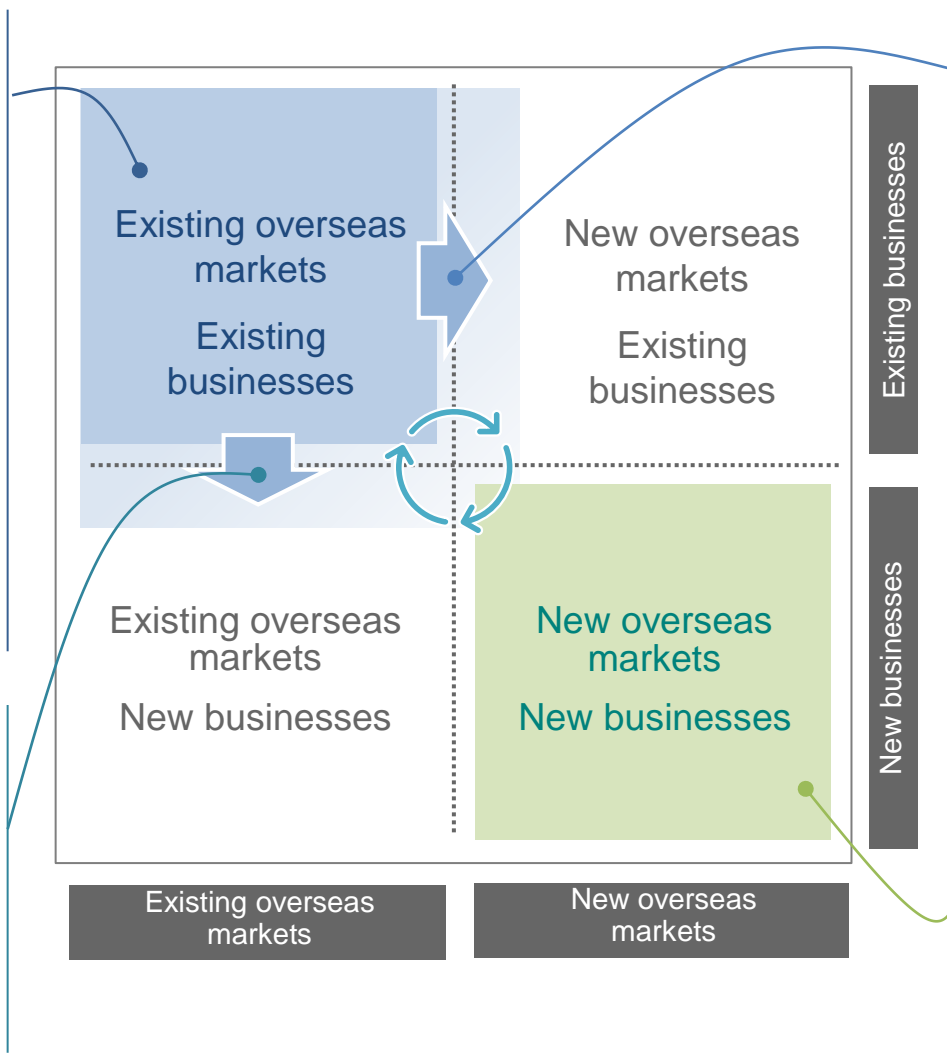
■ Expand into new markets

- Enter markets in countries and territories with high growth potential
- Seek opportunities for collaboration with other companies and M&As

■ Create new growth models

- Implement M&As to establish new foundations for growth
- Explore new possibilities, focusing on start-ups in the areas of security-related SaaS and health technology

Matrix diagram:

	Existing overseas markets	New overseas markets
Existing businesses	Existing overseas markets — Existing businesses	New overseas markets — Existing businesses
New businesses	Existing overseas markets — New businesses	New overseas markets — New businesses

Strengthen Overseas Operations: Add Depth to Existing Businesses

**Extend services to a broader range of customers by building on image technologies/AI and integrating apps**

Overseas security services (before)

✓ **Japan-standard specs**

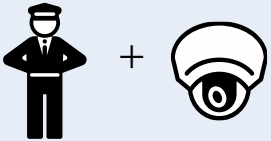✓ **Closed systems**

✓ **Mainly target Japanese companies**

Flexible provision of a wide selection of services that meet local needs

✓ **Provide services tailored to specific countries/regions**

✓ **Open environment**

✓ **Target local companies and expand local customer base**
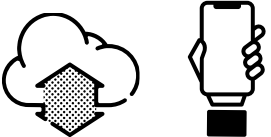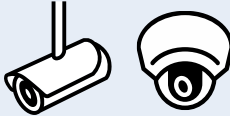
Provision of services using integrated apps

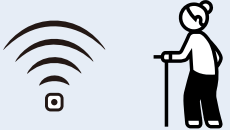| Deploy images and AI to reduce labor requirements and improve reliability	Electronic security services with image monitoring	Interactive communications	Add-on services (IoT/wellness)
· Use of wearable cameras	· Ability to view images using an app · Image confirmation by SECOM · Image-based monitoring services	· AI chatbot-based customer service · Comprehending customer satisfaction levels; obtaining feedback	· Monitoring of facilities · Monitoring of individuals

Introducing the latest technologies from the ASEAN Innovation Center, as well as collaborating with local partners and seeking beneficial M&As, to facilitate the selection and continuous updating of service platforms that respond to customer needs in different countries and territories

Reinforce BPO and ICT Businesses

Build business infrastructures centered on information security technologies and around-the-clock services that support customers' operations, ensuring safety, peace of mind, comfort and convenience

Service provision framework:
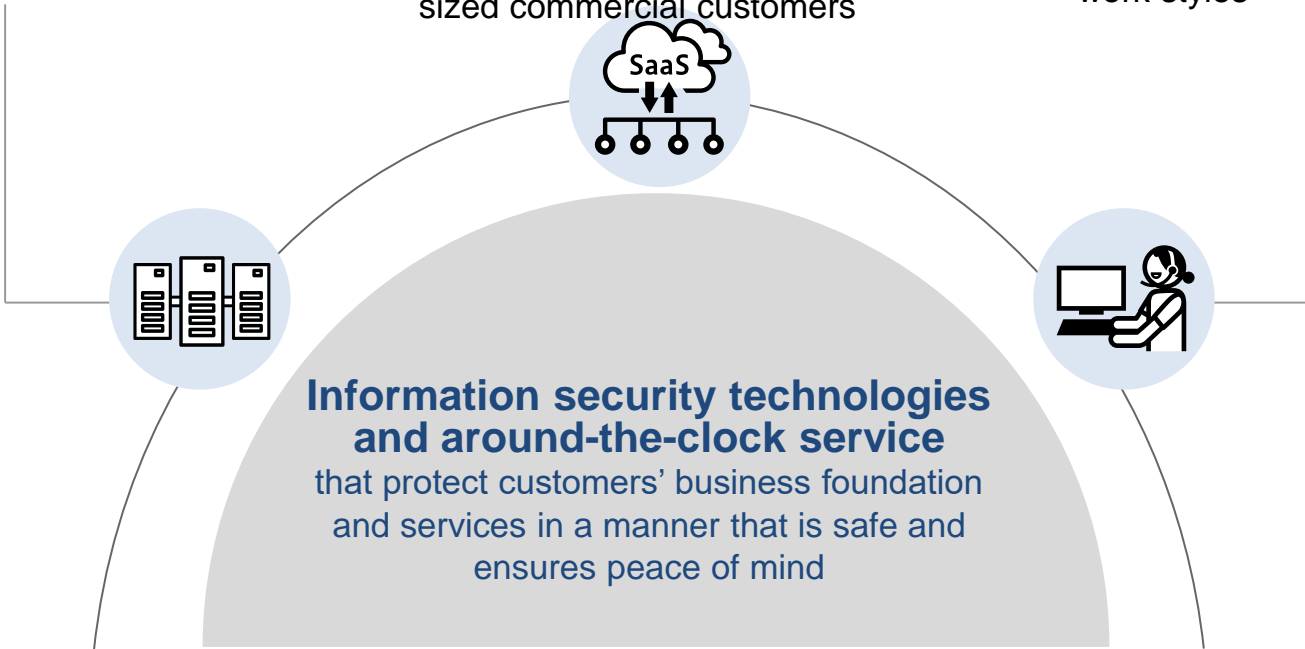## Data centers and networks

- Construction of new data centers in Tokyo and Osaka, and expansion of edge data center business
- Further expansion of interconnection services that improve the experience of cloud-based service users

SaaS solutions that support smooth business operations

- Expansion and development of Software as a Service (SaaS)-based services for businesses including HR and BCP that support operations and business continuity
- Aim: Become a platformer that serves as a hub for HR technology services for small- and medium-sized commercial customers

BPO services that contribute to the improvement of operating efficiency

- Expansion and development of BPO services (contact center and back office support) that respond flexibly to changes in the operating environment, including evolving consumer values and needs, a decline in the labor force and the diversification of work styles

Information security technologies and around-the-clock service
that protect customers' business foundation and services in a manner that is safe and ensures peace of mind

Human Resources Strategies

Continue investing in efforts to secure and foster human resources to evolve further as a company providing pioneering services that deliver safety and peace of mind

Qualities sought

Originality

Resilience

Internationality

Commitment to improvement

Workplace environments

Create a foundation for SECOM to evolve as a company that fosters each individual's unique capabilities and helps all employees enjoy a rich and fulfilling professional and private life

Enhanced well-being

Greater diversity

Improved and expanded capabilities

Priority strategies

- ■ **Encourage employee engagement**
- ■ **Promote a healthy work–life balance**
- ■ **Advance diversity and inclusion**

Sustainability Strategies

Evolve as a company that consistently earns the trust of all stakeholders

Principal initiatives to date	**Initiatives under the SECOM Group Road Map 2027**
Fortify SECOM's sustainability framework	Accelerate the integration of management and sustainability strategies

Sustainability management

- Formulated the SECOM Group Basic Sustainability Policy
- Identified priority material themes
- Established key goal indicators (KGIs) and key performance indicators (KPIs) based on materiality analysis

- Manage and assess progress toward achieving KPIs and enhance activities as appropriate
- Incorporate sustainability perspectives into management decisions and business standards

A society that leaves no one behind

- Developed the Declaration of Promoting Diversity and Inclusion
- Created the SECOM Group Human Rights Policy

- Promote organization-building centered around a diverse labor force
- Foster human resources in a way that encourages forward-looking perspectives
- Make services accessible to all people

Preservation of an inhabitable planet

- Formulated Carbon Zero 2045 Acquired Science Based Targets initiative (SBTi) certification and joined Renewable Electricity 100% (RE100)
- Declared support for the Task Force on Climate-related Financial Disclosures (TCFD)

- Accelerate the introduction of renewable energy
- Reduce the environmental impact of SECOM products and materials
- Reduce plastic packaging used for SECOM products

Operating Results Forecasts

The SECOM Group's targets for the fiscal year ending March 31, 2028, are for consolidated revenue of at least ¥1,250.0 billion, consolidated operating profit of between ¥160.0 billion and ¥180.0 billion, a dividend payout ratio of around 45% and an ROE of 10%.

	Targets for the fiscal year ending March 31, 2028	Notes
Consolidated revenue	At least ¥1,250.0 billion	
Consolidated operating profit	¥160.0 billion–¥180.0 billion	
Divided payout ratio	Around 45%	**Financial Strategies** • Enhance shareholder returns while maintaining a sound financial position • Invest in growth while remaining aware of cost of capital • Conduct share buybacks in a timely manner to achieve an ROE of 10%
ROE	10%	

By creating its *ANSHIN* Platform, SECOM aims to provide
enduring peace of mind to an ever-changing society.

SECOM