CONTENTS

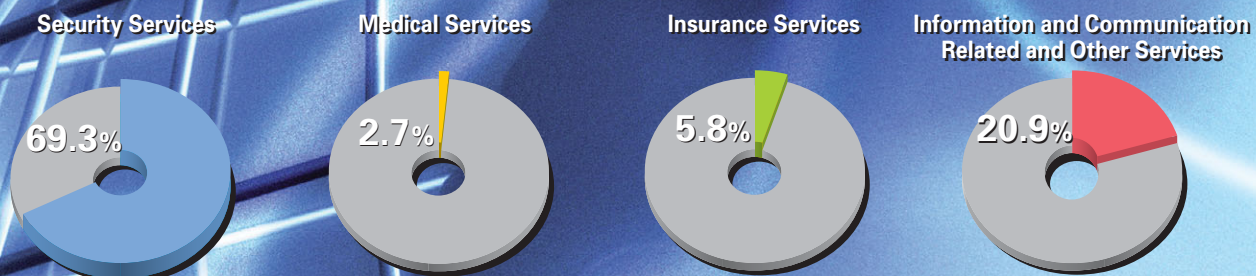## Percentage of Revenue and Other Income*

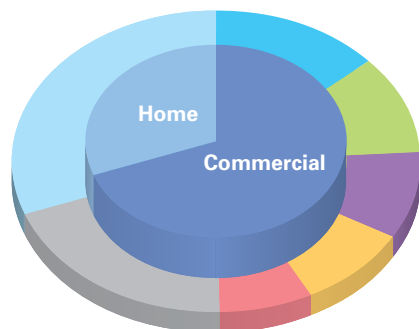| Security Services	Medical Services	Insurance Services	Information and Communication Related and Other Services
69.3%	2.7%	5.8%	20.9%

*Excluding intersegment transactions.

Commercial and Home Security Service Subscribers by Category

At March 31, 2002

🔵 Service industries	13.4%
🟢 Retailing/wholesaling	10.6%
🟣 Manufacturing	9.3%
🟡 Financial services	9.0%
🔴 Government agencies	7.4%
⚪ Others	19.6%
🔵 Households	30.7%

Security Services

Electronic Security Services

In the period ended March 31, 2002, revenue and other income from the electronic security services category, comprising the commercial security and home security and large-scale proprietary systems businesses, increased 5.8%, to ¥247.9 billion, accounting for 50.2% of consolidated revenue and other income, compared with 50.1% in the previous period.

On-line centralized security systems, the core business in this category, are set up so that emergency alarms from sensors placed in the subscribers' premises are transmitted to an appropriate control center, where the control staff promptly assess the situation. They dispatch emergency response personnel and may also call the police, ambulance service, fire department or gas company as required. These centralized systems thus function as integrated computer, telephone and human response systems.

In the commercial security business, we continued to rigorously market on-line security systems incorporating our leading-edge image sensing technologies, such as the SECOM AX system, and image transmission technologies, such as the SECOM IX system.

Our home security business focuses on on-line home security systems that connect subscribers' households to our control centers to monitor for intrusion, fires, gas leaks and emergency calls, thereby ensuring peace of mind. During the period, we continued to expand our subscriber base, helped by a growing market. We also concluded an agreement with a housing construction firm whereby the firm has incorporated SECOM Home Security into its housing series as a standard feature, thereby tapping the market for home buyers who place a high value on a secure living environment.

In the large-scale proprietary systems business, we launched TOTAX ZETA, a system that is compatible with standard networks.

Other Security Services

Static guard and armored car services are included in this category, which generated revenues of ¥51.1 billion, 8.0% higher than a year earlier. This represented 10.4% of consolidated revenue and other income, compared with 10.1% in the prior period.

Merchandise and Other

SECOM markets numerous security-related products, such as CCTV monitoring systems, access-control systems, automatic fire detection and extinguishing systems and external and internal monitoring systems; and services, such as COCO-SECOM. Revenue from this category increased 25.3%, to ¥43.1 billion, and accounted for 8.7% of consolidated revenue and other

income, compared with 7.3% in the previous period.

The COCO-SECOM series employs GPS satellites and cellular telephone base stations to relay information about the location of compact mobile terminals, enabling the dispatch of emergency response personnel when requested. These remarkable services can be used to locate people, foil automobile theft and keep tabs on precious items. COCO-SECOM's wide applicability is allowing us to satisfy a whole new range of security needs, and we are working on adding new functions and further capitalizing on its almost limitless market potential.

We are committed to continually upgrading our proprietary safety and security equipment to meet the diverse needs of consumers. As a result, we have developed several top-selling products, such as SUPER CCTV, a monitoring system for convenience stores and other retail outlets. This system is equipped with an antitampering function that detects attempts to interfere with the cameras, thereby enhancing the monitoring capabilities of store premises. The SESAMO NT III access-control system has garnered market attention because of its convenient wireless IC pass cards, which can be used to operate electronic locks. Other merchandise includes the TOMAHAWK MACH II residential-use fire extinguisher, which can be easily operated with one hand, the TOMAHAWK III high-speed

automated fire extinguishing system, and the TOMAHAWK PS automated extinguishing system for mechanically operated parking buildings.

Medical Services

Revenue and other income from the medical services segment rose 2.1 times, to ¥13.5 billion, representing 2.7% of consolidated revenue and other income, compared with 1.4% a year earlier.

During the period, we merged our medical services department with three subsidiaries responsible for medical services to form a single company, Secom Medical System, to enhance our ability to provide seamless, high-quality medical care. We also expanded our network of visiting nurse stations. These services are approved under Japan's health insurance scheme and now also its long-term care insurance scheme. The stations comprise nurses who visit patients to assist with providing intravenous injections or operating breathing equipment, and who also provide long-term care. Other medical services include Hospinet, a remote image diagnosis support service for medical institutions, and SECOM Ubiquitous EMR, an electronic medical report system.

Insurance Services

This segment earned revenue and other income of ¥28.8 billion in the period under review, a 23.4% increase over the previous period, and contributed 5.8% to consolidated revenue and other income, compared with 5.0% a year earlier.

Secom General Insurance launched sales of MEDCOM, a medical care policy that covers expenses related to new cancer treatments not covered by the public health insurance scheme. Other popular policies include Secom *Anshin* My Car automotive insurance, Security Discount Fire Policy for commercial subscribers to centralized security systems and Secom *Anshin* My Home, a comprehensive fire insurance policy for residential subscribers. Each of these products draws on synergies with our security systems to offer attractive benefits at reasonable prices.

Information and Communication Related and Other Services

Revenue and other income from this segment amounted to ¥103.3 billion, an increase of 11.6%, and accounted for 20.9% of consolidated revenue and other income, compared with 19.8% in the previous period.

Information Services

Secom Information System Co., Ltd., offers a range of services to external customers, including the planning, development, operation and maintenance of corporate networks, as well as plans, builds and operates the SECOM Group's information networks and intranet.

Secom Trust.net provides cyber security services, including digital authentication, network security monitoring and consulting services. Its digital authentication services, such as SECOM Passport for Web and SECOM Passport for Members, provide PKI identities that enhance Internet security. Corporate networks receive 24-hour continuous monitoring and reporting to raise their security and stability with such services as SECOM Virus Monitoring Service and SECOM Intrusion Detection Service. In our security consulting services, we focus on providing network risk assessment and proposing appropriate solutions. In addition to cyber security, Secom Trust.net also offers network services and operates a web application service to help customers maximize the advantages provided by the Internet. During the period under review, it launched Electronic Document Management Solution, which digitizes and provides long-term storage for important data at a lower cost than client companies can manage on their own. The data can be retrieved via the Internet at any time.

GIS Services

Pasco Corporation, a leader in its field, specializes in providing services based on aerial mapping and GIS technologies. Its Management Navigation Service provides private-sector companies with digital maps superimposed with their own data and figures, creating a valuable support tool for everyone from top management to field staff. Pasco offers this service under long-term user contracts, which allow for low-cost regular updates to the base maps and proprietary data.

PasCAL is a comprehensive GIS service integrating various types of data with digital maps and is offered to local governments to assist with social services.

Education Services

Secom Lines, a pioneer in Japan's computer-aided learning field, continued to focus on promoting educational software and its local area network (LAN) systems for classrooms.

Real Estate Development

Secom Home Life embodies a wealth of experience and know-how in the field of condominium developments. This expertise helps it to develop and market outstanding properties that incorporate other SECOM Group services—such as security services, home medical care, information services and insurance coverage—to provide purchasers with security and peace of mind.

Overseas Operations

In the belief that the desire for security is universal, SECOM launched its first overseas security operation in Taiwan in 1978, which was followed in succession by operations in the Republic of Korea and the United States in 1981. Since then, we have expanded in Asia to Thailand, Malaysia, Singapore, Indonesia and the PRC. In Europe, we operate in the United Kingdom, and in Oceania, in Australia.

One of the distinguishing characteristics of operations in these 10 countries and territories is that we take know-how and security systems developed in our home market and blend them with local customs and conditions to create customized solutions. This has helped the SECOM Group achieve local market acceptance readily and create a security service network that transcends differences in languages and cultures.

The IT market in the PRC is poised for rapid growth, particularly in the field of cyber security. In anticipation, we established Beijing Secom Information Technology Co., Ltd., to market cyber security products and customized services.