

Security Services

Our competitive advantage derives from our distinctive approach to the provision of security services.

We began offering on-line security services in 1966. Rather than simply selling security equipment outright, we sought to provide comprehensive services. To this end, we combined the speed and accuracy of machines in detecting irregularities and transmitting information with the judgment, mobility and quick action of humans, thereby realizing both operational efficiency and high quality. This model yielded our on-line security system, which encompasses the placement of sensors at its subscribers' premises and around-the-clock monitoring from a SECOM control center via telecommunications circuits, as well as the dispatch of emergency response personnel from the closest emergency depot should sensors signal an irregularity and, when necessary, alerting of the police and/or fire department.

Our insistence on providing not only equipment installation and monitoring, but also emergency response services, reflects our deep-seated belief that only by guaranteeing subscribers' safety can we honestly claim to be providing security.

Today, SECOM on-line security systems are the most widely used security systems in Japan, with subscribers spanning a broad range of industries. Recognizing the need to respond promptly and accurately to varied customer needs, determined by such factors as regional variations and business differences, we have developed a distinctive approach that makes this possible. This approach involves the following:

- **Swift response in the event of an emergency:** Capitalizing on our many years of experience, which is reflected in the prompt decision-making capabilities of our control center staff and the quick reactions of our highly trained emergency response personnel, we are well positioned to respond swiftly and effectively in the event of an emergency. Another key factor underscoring our responsiveness is our nationwide network of approximately 2,750 emergency depots, each of which covers only a limited geographic area. Additionally,

emergency response personnel are outfitted with COCO-SECOM mobile security system transmitters, meaning control center staff are always aware of their locations and thus able to dispatch the closest individuals.

- **Systems that are a cut above:** Know-how gained through extensive experience in the provision of security systems has enabled us to double and treble our backup capabilities, thereby ensuring our systems are a cut above. For example, to link sensors placed at a subscriber's premises with a SECOM control center we use both the subscriber's telephone circuits and the cellular phone network, thus providing reliable backup in the event of an interruption in regular telephone service.
- **In-house R&D capabilities:** We receive constant feedback from customers on their needs and opinions—including requests for equipment with certain functions and reports of frightening experiences—through our daily sales activities. In addition, emergency response personnel provide detailed information on actual crimes, while development personnel visit customers directly to obtain first-hand information. We maintain control over every aspect of our security services, from R&D to manufacturing, sales, security planning, installation, around-the-clock monitoring, emergency response services and equipment maintenance. Pertinent departments cooperate to analyze existing systems in light of customer feedback obtained in the course of providing security services, facilitating the prompt development and improvement of services and products in response to customer needs.
- **Effective training and management of human resources:** Our four training centers in Japan provide training for emergency response personnel designed to impart knowledge and techniques. At the same time, these facilities strive constantly to impart the SECOM corporate philosophy and standards of conduct that employees—as

security professionals—are expected to observe. The effective training and management of human resources is essential to our ability to provide high-grade services.

- **A comprehensive, integrated approach to peace of mind:** In addition to security services, we provide fire protection, medical services, insurance services, geographic information services, real estate development and sales, and information and communication and related and other services, which we also combine into unique, tailored packages that enable us to go beyond simply installing security systems, ensuring customers feel they can turn to us anytime for solutions that will remove sources of unease and deliver security and peace of mind.

Within our security services business, we work to offer services that respond to varied customer needs and are appropriately priced. To this end, we retain ownership of security equipment, which we rent rather than sell to subscribers. Rental contracts mean initial costs for subscribers are significantly lower than would be the case if they were required to purchase equipment outright. The rental format also allows us to take responsibility for replacing equipment promptly in the event of a malfunction or an upgrade, ensuring stable, high service quality. This distinctive approach yields considerable synergies that support the broad competitive advantage our security services enjoy in the Japanese market.

Commercial Security Services

We continue to promote greater market acceptance of security services by drawing on our expertise in image recognition and developing systems adapted to the telecommunications infrastructure.



Utilizing image recognition technologies to develop diverse systems

In view of the increasingly cunning and malicious nature of criminal acts, plus the fact that they are often committed in a matter of minutes, in 1998 we developed and launched SECOM AX, an on-line security system employing image recognition technology. SECOM AX records and transmits images should an abnormality be detected at a subscriber's premises, thus facilitating prompt assessment by the control center and a swift and accurate response in the event of an intrusion. Control center staff can also broadcast a warning to intruders using on-premises speakers, thereby helping to prevent crimes from occurring. The most important feature of SECOM AX is its image sensors, which employ proprietary image recognition technology that are able to distinguish between human and nonhuman intruders and to detect the presence of an intruder even when the premises are in darkness.

Our extensive experience in the provision of security systems with built-in image sensors has enhanced both the technological capabilities and the know-how of our R&D personnel in the area of image recognition technologies. One outcome of this has been the evolution of technology used in SECOM AX for application in other SECOM security systems. For example, we have developed a remittance fraud protection system whereby sensors attached to automated teller machines (ATMs) capture images and sounds from the ATM booth and alert a SECOM control center should they detect any suspicious human movement.

Looking ahead, we will continue to leverage our accumulated technological capabilities and know-how in the area of image recognition to develop high-grade security systems that reflect evolving social imperatives and customer needs.

Developing systems that facilitate integrated management of image data from multiple surveillance cameras

With crimes in Japan growing ever more brutal, public perceptions of security appear to be deteriorating. In this environment, surveillance camera systems are playing an increasingly important role in providing evidence necessary to ensure the arrest of criminals and in averting crimes. As a consequence, the number of such cameras in use is expanding rapidly.

Companies with several shops or offices must install independent cameras at each location to record and archive all the image data they need — a proposition that requires space for installation and involves high operating costs, as well as presents challenges in terms of image data management, among others. Drawing on our extensive IT technologies and accumulated know-how, we have developed the



SECOM AX on-line security system

SECOM Image Archive System, which makes effective use of intranets and other existing in-house networks to centralize the recording and archiving of image data from multiple surveillance cameras installed at different locations. Such a system was made possible by improvements made to Japan's telecommunications infrastructure in recent years that facilitate the transmission of large volumes of data. With this system, a subscriber with a network of shops, for example, can use the intranet to transmit image data from cameras installed in each of the shops, thereby facilitating the integration of recording and archiving such data at the head office administrative department or other central location. In addition to resolving installation space, operating cost and data management issues, the system thus also ensures the effective

management of personal information. We will continue to promote greater use of the SECOM Image Archive System as part of our drive to help enhance the safety and security of modern society.

A cellular phone-based system to confirm security for shops, public facilities and families

Capitalizing on our accumulated technological know-how, we recently developed the Cellular Video Surveillance System. Unlike webcams, this system requires neither the Internet nor PCs, using instead the videophone capabilities of cellular phones to provide visual and aural confirmation of security.

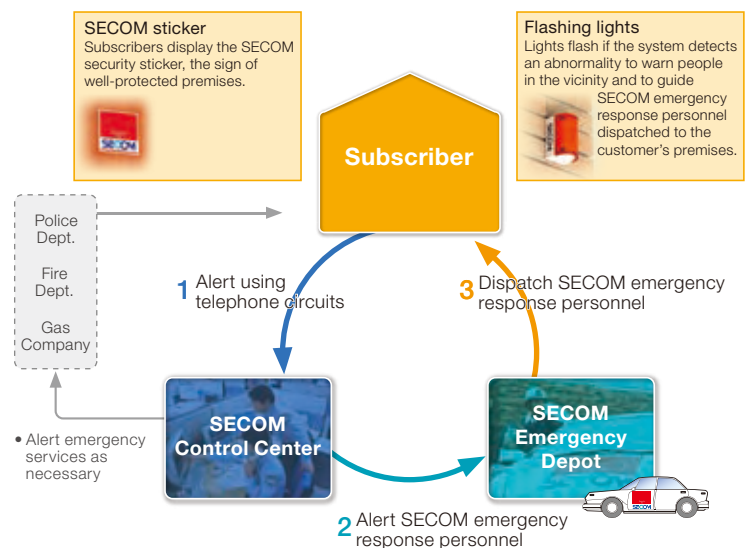
The owner of a company operating multiple laundromats or parking lots, for example, can use the Cellular Video Surveillance System to check on the status of the shops or the lots at any

time using his or her own cellular phone. If an abnormality is suspected and/or an emergency situation has arisen, employees need simply to press a button to automatically send an email to the owner advising of trouble to trigger a rapid emergency response. Surveillance cameras can also be mounted on vehicles, making it possible to assess what is happening inside. In recent years, many companies are equipping corporate vehicles with drive recorders, which provide a visual record of what happens in the event of a traffic accident. However, drive recorders are only useful after the fact. In addition to functioning as a drive recorder, this system facilitates real-time monitoring of what is happening to the vehicle when it is involved in an accident.



SECOM Control Center

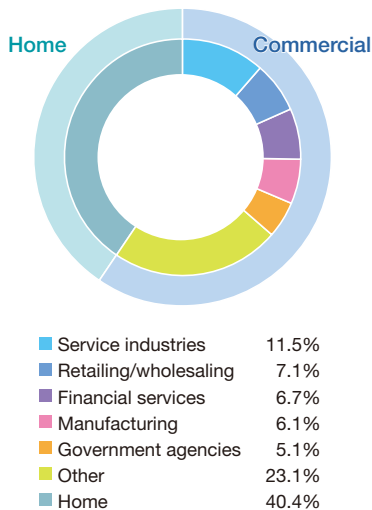
Centralized (On-Line) Security Systems



The Cellular Video Surveillance System is also attracting attention as a way to help people monitor the safety of elderly parents living alone and away from their children. In Japan, the rapid aging of the population and the increasing prevalence of nuclear families, as opposed to the traditional extended family group, have increased the number of elderly people living alone, a cause of concern for family members. With the Cellular Video Surveillance System, surveillance cameras are installed in the homes of elderly parents living alone, for example, transmitting image and sound data to the cellular phones of their children and enabling them to notify their children if they are ill simply by pushing the “Notify” button, which prompts the system to send an

email to the appropriate cellular phone. The Cellular Video Surveillance System is also popular with people who want to check up on their pets while they are away from home. Looking ahead, we will continue actively to promote this system for a wide range of applications in response to the increasingly varied needs of customers.

Contracts for Centralized Security Systems
(As of March 31, 2010)



Cellular Video Surveillance System

Home Security Services

By capitalizing on our extensive range of high-grade home security products and services, which center on the SECOM Home Security system, we are responding to the needs of homeowners for greater safety, peace of mind, convenience and comfort.



SECOM Home Security: Comprehensive services for peace of mind

SECOM Home Security, our core on-line security system for residential applications, comprises sensors and other security equipment, which are placed in and around the subscribers home, providing around-the-clock monitoring for intruders and fires, sending emergency messages, warning of gas leaks and summoning emergency medical services. Should an abnormality be detected, the system alerts a SECOM control center. Control center staff respond by assessing the situation, dispatching emergency response personnel and, if necessary, contacting the police and/or fire department.

In 1981, we launched Japan's first-ever on-line home security system. Since then, we have incorporated feedback from customers and sought to respond adequately to changing social imperatives, improving security capabilities and introducing more convenient features. Today, SECOM Home Security provides security not only when occupants are out, but also when they are at home, whether they are asleep or awake. For example, if all the occupants are on the second floor the system can be armed exclusively on the vacant first floor. We have also added features that capitalize on the prevalence of cellular phones. Subscribers can take advantage of optional cellular phone-based services that make it possible to check on the security of their homes from wherever they may be using a cellular phone, and to arm the system if they have neglected to do so.

Having our own in-house R&D capabilities has enabled us to develop a number of attractive products and systems that can be integrated into SECOM Home Security to respond to increased security needs even after the original system has been installed. Combining SECOM Home Security with External Image Monitoring Service allows for images captured by surveillance cameras placed outside the subscriber's home to be transmitted to a SECOM control center, thus ensuring quick, effective action in the event of a security breach. Security products include SECOM *Anshin* Glass, a high-impact, breakage-resistant window glass with built-in sensors. Combined with SECOM Home Security, SECOM *Anshin* Glass not only deters break-ins through windows, but also instantaneously alerts a SECOM control center, facilitating early detection in the event of a break-in and a swift, accurate response.

Owing to the rapid aging of Japan's population, we are seeing an increase in seniors subscribing to SECOM Home Security to protect themselves against crimes. In addition to helping to prevent crimes from occurring, SECOM Home Security offers a host of attractive optional support services that assist in resolving other issues of concern to seniors. These include My Doctor, a pendant-style emergency medical alert



SECOM Home Security

system that can be activated in the event the wearer becomes ill or is injured, causing it to send an emergency signal to a SECOM control center, which promptly alerts a physician specified in advance by the subscriber and summons an ambulance. The Daily Life Monitoring function sends out an alert if no movement is detected in the residence for a specified interval, thus providing peace of mind for the families of seniors living alone.

SECOM Home Security continues to find wide applications for a range of homes, from condominiums to detached houses to residences designed for two generations living under the same roof, with a broad subscriber base that ranges from young singles to middle-aged people with families and seniors. Looking ahead, we will continue to develop and provide security for residential applications, centering on SECOM Home Security, that help resolve causes of unease and further increase convenience for all of our customers.

Increasingly popular SECOM Home Service

Responding to feedback from customers, in 2005 we launched SECOM Home Service, which encompasses a variety of lifestyle support services for SECOM Home Security subscribers. With demand for these services increasing, we have since made some of these services available to nonsubscribers. We have also expanded both our service menu and our geographic coverage. At the same time, we are working to enhance the quality of services, which are provided by professionals who have completed our stringent in-house training program.

At present, SECOM Home Service encompasses *Anshin* Support Service, whereby SECOM staff assist in resolving concerns that arise in everyday life by, for example, patrolling around the subscriber's home when the occupants are away. Troubleshooting Support Service includes assistance in resolving unforeseen problems, such as lost keys. Housework Support Service provides

help with housekeeping and around-the-house jobs. The SECOM Home Service Pack is a special plan that allows subscribers to sign up for popular services on an annual basis. Housework Support Service is appreciated by subscribers who value the capabilities of our highly skilled cleaning staff, while Family Support Service, a key component of Housework Support Service, is welcomed by subscribers who seek short-term assistance with such tasks as tidying the house, cooking meals, washing laundry and airing bedding.

Given the rapid aging of society and the increasing trend toward nuclear families in Japan, we will continue to expand the scope of SECOM Home Service to respond to evolving needs nationwide.



SECOM Home Service (Family Support Service)



SECOM Home Service (kitchen cleaning service)

Other Security Services

We are capitalizing on the advantages of COCO-SECOM to promote wider acceptance of personal security.



Expanded applications for COCO-SECOM continue to support increased sales

With the launch of the COCO-SECOM mobile security system for outdoor use in April 2001, we expanded our capabilities into the area of locating systems for individual subscribers. COCO-SECOM uses signals from Global Positioning System (GPS) satellites and cellular phone base stations to pinpoint the location of exclusive transmitter devices with outstanding precision. Simply by pushing the alert button on the device, an individual can notify the COCO-SECOM operations center if he or she feels in danger. The operations center will dispatch emergency response personnel at any time of the day or night if needed, thereby helping subscribers feel a greater sense of security.

Initially developed with the aim of preventing child abductions, locating elderly people who have wandered off and averting the theft of cars and motorcycles, COCO-SECOM is today attracting attention for a wider range of applications, reflecting the increasing diversity of customer needs. Examples include thwarting crimes against women, enabling people who are frequently out of the office or away on

business to send emergency signals, preventing the loss or theft of handbags, the destruction and/or theft of safes and ATMs, the theft of bulldozers and power shovels, and managing corporate car fleets.

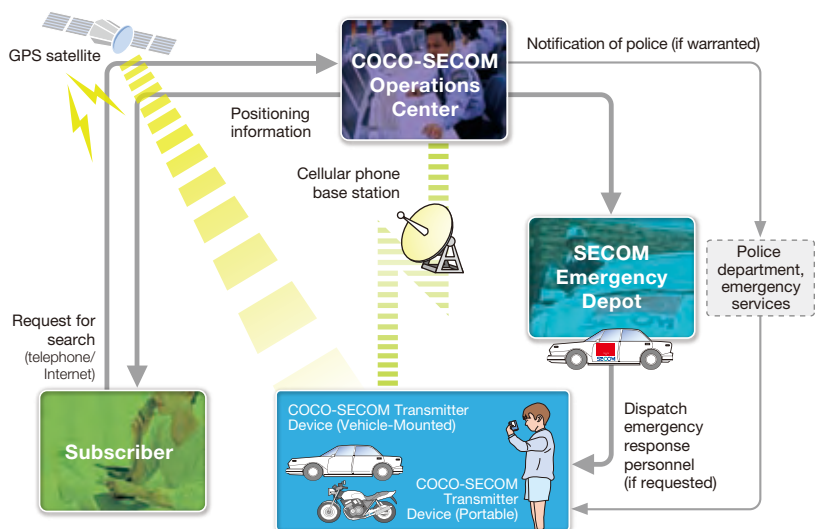
Newly developed cellular phone for children with COCO-SECOM as a standard feature

Since spring 2009, there has been a drive to impose restrictions on the possession of cellular phones by children in elementary and junior high schools in Japan. Underscoring this is an increase in bullying incidents and crimes involving children that many attribute to the use of cellular phone e-mail and Internet functions. However, parents recognize the benefits of having their children carry cellular phones because it enables them to ascertain their children's whereabouts between home and school. Many parents have also said how much more secure they would feel if their children's cellular phones were equipped with emergency buzzers.

Working with a major telecommunications company, we sought to respond to these various needs by developing *mamorino*, a new cellular phone model for children. In addition to being safe and secure, *mamorino* is equipped with an emergency buzzer and COCO-SECOM as standard features. If the child feels threatened, all he or she has to do is sound the buzzer to alert the COCO-SECOM operations center, which then determines the child's location. The operations center then makes contact with the child and a parent or guardian and, if necessary, dispatches emergency response personnel. Because it does not have a web browser function and limits children to a maximum of four telephone/email contacts, which must be specified in advance, *mamorino* also protects children from potential trouble arising from e-mail and Internet use.



COCO-SECOM Mobile Security System (Location and Emergency Response)



Security Services in Overseas Markets

By offering “SECOM-style” security services customized to reflect local needs and sensibilities, we continue to expand our subscriber base in key overseas markets.



The evolution of our overseas security services business

Since launching operations in Taiwan in 1978, we have substantially increased our geographic coverage. From that time, we have accumulated experience in the provision of security services in 11 countries and territories: Taiwan, the Republic of Korea (ROK), the PRC, Thailand, Malaysia, Singapore, Indonesia, Vietnam, the United Kingdom, Australia and the United States.

In overseas markets, our approach is to offer “SECOM-style” services customized to reflect local needs and sensibilities. By this, we mean not only monitoring customers’ premises from a control center—in the event an abnormality is detected—but also dispatching highly trained emergency response personnel and, if necessary, contacting the police and/or fire department. This approach, which is the same as we use in Japan, differs significantly from the on-line security systems sold by European and U.S. security service providers, which as a rule do not offer emergency response services in such situations, but rather simply notify the police. Accordingly, this approach delivers greater security and peace of mind to customers.

Our equity-method joint venture in Taiwan, Taiwan Secom Co., Ltd., has a network of bases that covers the entire territory and enjoys the leading share of the Taiwanese security services market. Taiwan Secom is also publicly listed on the Taiwan Stock Exchange. Maintaining the SECOM business model, Taiwan Secom rents security equipment and enters into long-term contracts with subscribers. The company also offers a proprietary mobile emergency information system developed in-house that is similar to COCO-SECOM and sells automated external defibrillators (AEDs). In 2009 Taiwan Secom began selling

new on-line home security systems with imaging and automated functions.

In the ROK, equity-method joint venture S1 Corporation provides an extensive selection of security services to a subscriber base that ranges from homeowners and large-scale commercial facilities. S1 is currently the top security services company in the ROK and is listed on the Korea Exchange.

We are also expanding “SECOM-style” security services in Southeast Asia. In Thailand and Malaysia, we are extending our efforts beyond the capital cities to include other urban centers. In Singapore, “SECOM-style” services continue to gain considerable praise. Our subsidiary in Indonesia, a leading name in the local security services market, is expanding its operations with a focus on the capital city of Jakarta. In Vietnam, our emphasis is currently on security service-related consulting and the provision of solutions, due to restrictions on foreign investment in the country. However, we do expect to begin offering on-line security systems at some time in the future.

Our presence in the United Kingdom began in 1991, when we acquired a local security services firm and began offering our own brand of services. Many competitors in the U.K. security services provide only the installation of security equipment. As a consequence, our integrated approach, encompassing the sale and installation of equipment, around-the-clock monitoring, emergency response services and maintenance, did not immediately resonate with local customers. However, as subscribers to “SECOM-style” services increased in number, so did recognition of our services’ superb quality. Today, our menu of services in the United Kingdom encompasses security services for homes, companies and public facilities, and our subscriber base continues to expand steadily.

**SECOM in the PRC:
Expanding into inland markets**

Recognizing the tremendous potential of the local market, we began offering services in the PRC in 1992. Initially, our focus was on offering “SECOM-style” security services in cities in the country’s high-growth coastal areas—namely, Dalian, Beijing, Qingdao, Shanghai, Shenzhen and Fuzhou. Since then, we have expanded our service network to include surrounding cities, including Shenyang, Wuxi, Kunshan, Hangzhou, Tianjin and Guangzhou. The next step for us will be to set up operations in key inland cities, thereby enabling us gradually to expand our service area. Eventually, we hope to offer security services to customers throughout the PRC.

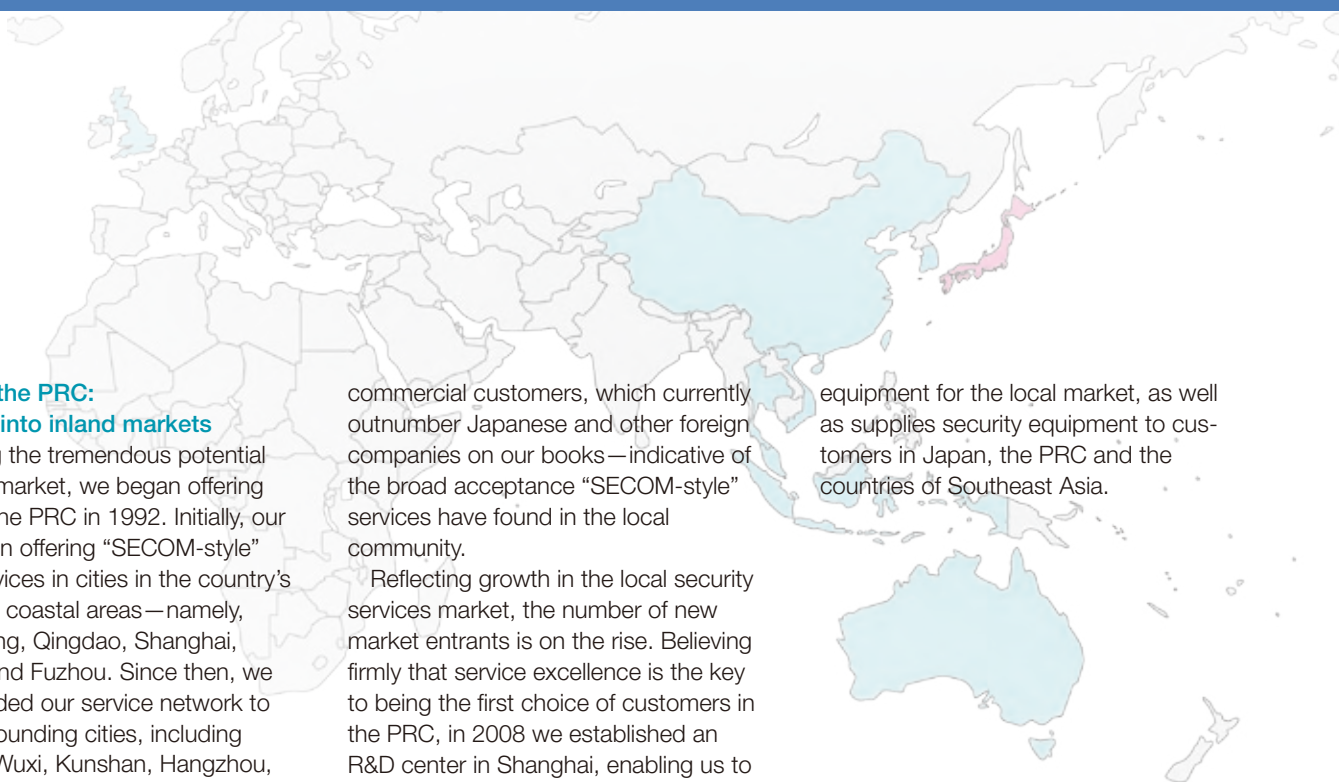
Heightened awareness of the need for effective security in the PRC has spurred demand for high-grade security services. In this environment, recognition of the intrinsic value of “SECOM-style” on-line security services is growing and our subscriber base is expanding steadily. We are also seeing increased demand from local

commercial customers, which currently outnumber Japanese and other foreign companies on our books—indicative of the broad acceptance “SECOM-style” services have found in the local community.

Reflecting growth in the local security services market, the number of new market entrants is on the rise. Believing firmly that service excellence is the key to being the first choice of customers in the PRC, in 2008 we established an R&D center in Shanghai, enabling us to draw on our accumulated experience in the provision of “SECOM-style” security services and our extensive know-how, contributing to enhanced service quality and wider market acceptance. This facility is also working to respond quickly to the amendment of standards for security equipment in the PRC, as well as preparing for the launch of home security services.

Our efforts in the PRC have not been limited to security services but also include the manufacture of fire prevention and security equipment. Our joint venture with Nohmi Bosai Ltd., manufactures and sells fire protection

equipment for the local market, as well as supplies security equipment to customers in Japan, the PRC and the countries of Southeast Asia.



Control Center (Beijing Jingdun Secom Electronic Security Co., Ltd.)



An increasingly popular choice in Taiwan



Control Center (S1 Corporation, ROK)

Fire Protection Services

Drawing on its solid record in fire protection services, SECOM is expanding its fire protection services business by focusing on the renovations market and developing new products.



Growing demand for fire alarm systems in the renovations market

A pioneer in the fire protection market, subsidiary Nohmi Bosai Ltd. provides fire alarms and other fire protection systems, with an extensive lineup that includes products for office buildings, production facilities, tunnels, cultural properties, ships and homes.

In recent years, the deterioration of older office buildings has stimulated demand for automatic fire alarms and other equipment as building owners take advantage of the opportunity provided by renovations to update fire protection systems. Nohmi Bosai is drawing on its solid record in this field and the strong trust of its customers to secure demand from customers undertaking renovations. For example, to secure demand for the replacement of fire protection systems for older skyscrapers, many of which are due to be renovated in the near future, Nohmi Bosai has established a dedicated department and will take steps to enhance its ability to offer effective solutions for such customers.

Newly developed PROTECVIEW fire detection and alarm system

Nohmi Bosai's new PROTECVIEW fire detection and alarm system was developed for use in locations where it is particularly necessary to prevent fire damage, including rooms housing computers, servers and telecommunication equipment, clean rooms and areas in the vicinity of circuit boards.

An ultrasensitive smoke detection system, PROTECVIEW provides around-the-clock monitoring for early signs of fire, thereby facilitating a quick response in the event one is detected, minimizing resulting damage and allowing a swift return to normal operations. For example, computer and server rooms have air conditioning systems running at all times to keep equipment cool. Air conditioning has a tendency

to dilute and diffuse smoke and fumes, making the prompt detection of fire difficult. As a consequence, protecting valuable information demands being able to recognize the early signs of fire. With PROTECVIEW, customers get around-the-clock monitoring and ultrasensitive smoke detection, thereby preventing escalation into a full-fledged conflagration.

Advances in home fire alarm systems

Owing to the partial revision of Japan's Fire Services Act in 2006, fire alarm systems will be mandatory in all homes by 2011. Accordingly, we continue to expand our lineup of home fire alarm systems, which are manufactured by Nohmi Bosai and also sold under the SECOM name. A new addition to this lineup is a recently launched wireless integrated system designed to accelerate the detection of fires. In addition to an estimated life of 10 years, and no need for wiring—a characteristic it shares with our existing battery-operated fire detection systems—our new system features a voice alert, in which the unit that has detected the fire broadcasts the discovery while at the same time wirelessly instructing all the other units to sound. This ensures the instant awareness of the fire, even if residents are not present, expediting efforts to extinguish and/or evacuate the premises. Looking ahead, we will continue to promote greater awareness of the benefits of residential fire alarm systems in protecting lives and property from house fires.



Foam fire extinguishing system



Water curtain system installed in tank yard



Wireless integrated residential fire alarm

Medical Services

SECOM is expanding the scope of its services in the medical, health care and personal care fields in an effort to give new form to its ideal of providing peace of mind.



Steadily expanding home medical services

Our diversification into the medical services business is a reflection of our belief that protecting the health and lives of people is a natural extension of our commitment to provide security and peace of mind. What began as Japan's first home nursing services business has since expanded to encompass a wide range of services in the medical, health care and personal care fields.

Home medical services—a mainstay of our medical services business—centers on home nursing, which involves regular visits by nurses to patients in their homes to provide expert nursing services and treatment in accordance with the instructions of the patients' physicians, and pharmaceutical dispensing and home delivery services. Our home nursing services are rated favorably by both patients and their families. One reason for this is our rigorous proprietary training program, which continues to enhance the capabilities of our visiting nurses and further hones their skills. This enables visiting nurses to provide highly professional services that take into account the condition of the patient. We have established a network of visiting nurse stations in major cities nationwide, which dispatch visiting nurses to patients' homes and are on call around the clock.

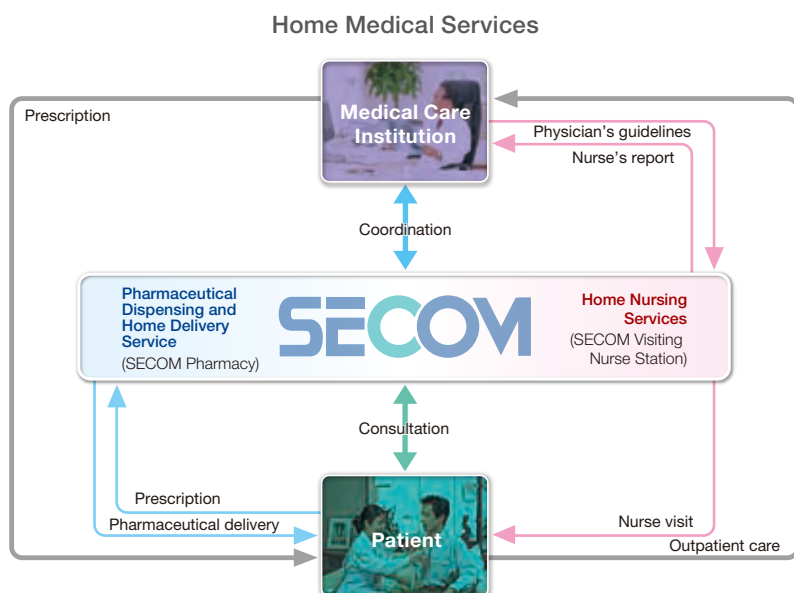
Our pharmaceutical dispensing and home delivery services range from the dispensing and delivery of common oral medications to the provision of specialized services for home health care patients. The latter includes parenteral nutrition, that is, the intravenous feeding

of nutrient solutions through a catheter, and home visits by pharmacists to provide guidance on the use of prescribed medications and support for, among others, the intravenous administration of Flolan®, a drug used in the treatment of primary pulmonary hypertension, an intractable disease. Backed by around-the-clock emergency response services, our pharmaceutical and dispensing services help provide peace of mind to patients undergoing home medical care, earning solid marks and steadily growing demand.

Residences for seniors: A uniquely SECOM approach to security, peace of mind and comfort

We have developed and manage innovative residences for seniors in Japan to accommodate a variety of needs. These range from residences designed for healthy individuals who do not yet need personal care, with services comparable to those at the finest hotels, to residences for individuals requiring personal care from the outset. The SECOMFORT series, which brings together our expertise in security and medical services help in the realization of a society in which people can age with grace and serenity.

Comfort Garden Azamino, the first facility in the SECOMFORT series, which caters to seniors requiring personal care, opened in Yokohama in 2006. This was followed in June 2009 by Comfort Hills Rokko, which opened in Kobe. Both residences continue to attract considerable acclaim. Comfort Hills Rokko boasts two uniquely SECOM features. First, it is adjacent to Kobe Kaisei Hospital, a SECOM-affiliated facility. Second, it is organized to accommodate the changing needs of residents as they age and provides a variety of programs designed to ensure fulfilling, comfortable and enjoyable lifestyles.



Insurance Services

Public appreciation for SECOM's distinctive insurance policies continues to grow.



Increasing contract volume by providing uniquely SECOM non-life insurance policies

Our decision to expand into the non-life insurance business reflected our conviction that augmenting our security services, which provide prior protection, with insurance, which looks after customers in the event of misfortunes, would reinforce security and peace of mind.

The distinctive policies in our lineup are aimed primarily at security services customers and include such offerings as the Security Discount Fire Policy, for

commercial customers; SECOM *Anshin My Home*, for homes; and SECOM *Anshin My Car*. Security Discount Fire Policy and SECOM *Anshin My Home* take into account the risk-mitigating factor of on-line security systems, offering a discount on regular premium rates to such customers.

With SECOM *Anshin My Home*, customers are free to configure the policy to suit their particular needs. For homes where the risk of water damage is minimal, for example, the customer can drop water damage coverage, while owners of homes with superior fire protection capabilities or exclusively electrical appliances (i.e., no gas appliances) can opt out of fire damage protection, thereby reducing premiums. Here, we benefit from considerable synergies with other businesses. In some cases, the drawing up of a security system contract prompts subscribers to purchase insurance, while in others, the decision to purchase insurance prompts a customer to sign up for security services.

SECOM *Anshin My Car* is a comprehensive automobile insurance policy that includes on-site support services by emergency response personnel, if requested.

Going forward, we will continue to add to our lineup of distinctive non-life insurance policies that stand out against the competition.

Expanding sales of our MEDCOM unrestricted cancer treatment policy

We also offer MEDCOM, an unrestricted cancer treatment policy that provides coverage for all hospitalization and medical treatment costs, both those that are covered under Japan's National Health Insurance (NHI) scheme or other health insurance and those that are not, and for which the patient normally bears the full cost. This highly rated policy therefore enables subscribers to take advantage of advanced treatment options.

In April 2009, we enhanced the content of MEDCOM to include outpatient treatment, becoming the first such policy in Japan that places no restriction on the number of days of outpatient treatment covered, and added coverage for outpatient treatment of up to ¥10 million for each five-year period. As a consequence, MEDCOM subscribers are even better positioned to benefit from the most appropriate treatment options available. This has garnered acclaim and prompted an increase in the number of policies underwritten. These upgrades were also introduced to MEDCOM Plus, which we offer through a major Japanese life insurer, bolstering sales of this policy.



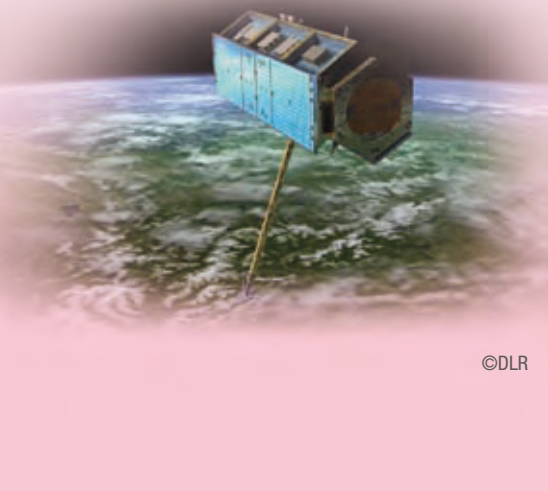
SECOM *Anshin My Car* on-site emergency service



MEDCOM provides coverage for advanced treatment options

Geographic Information Services

Subsidiary Pasco Corporation is making use of geospatial information to expand its services in such areas as environmental protection and disaster prevention, as well as its overseas operations.



Building on technological capabilities and accumulated expertise to capitalize on new business opportunities

For more than 50 years, Pasco has leveraged its surveying and geographic data collection capabilities, which are based primarily on aerial photography, and expanded its focus to encompass the integration and analysis of data thus collected, to develop a wide range of geospatial information services. This has enabled Pasco to provide basic data for the development of social infrastructure crucial to both public-sector planning and administration and private-sector corporate management.

In addition to accumulating know-how in geospatial information collection and processing, Pasco continually seeks to acquire cutting-edge technologies. Pasco sells image data offered by the operator of TerraSAR-X, a German satellite that delivers a higher resolution than other commercial satellites. Pasco is building on the technological capabilities and expertise it has acquired through this arrangement, positioning it to capitalize on expanding business opportunities. For example, in response to the 2008 creation of Japan's J-VER scheme, which strives to ensure the trustworthiness of carbon offset transactions, Pasco introduced geospatial

information services to local governments aimed at facilitating sustainable forest management.

In response to the aging of existing social infrastructures and the need to optimize related costs over the entire infrastructure lifecycle, Pasco capitalized on its experience in mapping used for more effective road maintenance to develop the Mobile Mapping System (MMS), a measuring system mounted on a vehicle which facilitates the extraction of precise data for 3D mapping.

In the area of disaster prevention, Pasco worked with the Saga prefectural government to develop a geospatial information-based system for monitoring the patterns of infection for the new H1N1 strain of influenza to prevent or limit its further spread. Pasco markets this system to prefectural authorities, as well as to cities designated by government ordinance (cities with large populations that have assumed functions—such as social welfare and urban planning—otherwise performed by prefectural governments).

Since 2008, Pasco has participated in ASNARO (Advanced Satellite with New system ARchitecture for Observation) project, an initiative for developing an advanced, small, low-cost satellite that can be built and launched for short periods. Pasco has been charged with developing the satellite's ground segment, a comprehensive, small, movable ground system for the satellite. This system, together with two receiving stations—an existing facility in Okinawa and a near-complete new facility in Hokkaido—will ensure a highly effective reception framework and at the same time giving full play to Pasco's image processing technologies for environmental monitoring and disaster prevention.

For private-sector customers, Pasco has leveraged business area analysis capabilities and operations-level expertise accumulated through the provision of marketing support services, to

develop and launch *Shoken Taisho*, a membership-based service for retailers that focuses on business area analysis, shop development and retail space design, and product mix strategies.

Pasco will continue to broaden its experience in the provision of geospatial information services, positioning it to cultivate new business opportunities in the years ahead.

Expanding global operations

Pasco has obtained exclusive rights in Japan and nonexclusive rights worldwide to sell image data from German commercial satellite TerraSAR-X, which complements laser-based biomass estimation and carbon mapping services, thereby contributing to the reduction of greenhouse gas emissions, a major cause of forest loss. TerraSAR-X is unique in that it can capture high-frequency high-resolution images regardless of the time of day. Pasco will continue to take advantage of this capability to gather and analyze data that will support efforts to measure the impact of global environmental issues and assist national governments and other organizations worldwide in the development and implementation of effective solutions.

Pasco will also continue to expand its overseas operations, assisting in the creation and revision of national land maps in countries where mapping data is not readily available. Additionally, Pasco is providing satellite and aerial data, as well as applications to assist in the effective use of such data, and offering consulting services, assisting in the fostering of human resources and providing technological support. Through such efforts, Pasco is securing major orders to create geospatial information databases that help prevent disasters, protect the environment, promote urban development and develop infrastructure—all of which are crucial to the advancement of developing countries.

Real Estate Development and Sales

This business encompasses the development and sale of condominiums with advanced security features.



Sales of Glorio Roka-koen

In line with our emphasis on peace of mind and comfortable living, we develop and sell condominiums in the Glorio series, which are equipped with advanced SECOM security systems. In January 2010, homeowners took possession of units in our newest location, Glorio Roka-koen in Tokyo's Setagaya Ward. In addition to access-control systems, Glorio Roka-koen features the SECOM MS-3 condominium security system, the SECOM IX remote imaging system, outdoor surveillance cameras

and sensor-equipped perimeter fences, bringing together SECOM's expertise and advanced security service capabilities to provide quality homes that are safe and secure. Glorio Roka-koen's multifaceted approach to security and peace of mind also includes the provision of healthcare support through cooperation with nearby Kugayama Hospital, a SECOM-affiliated facility, and the establishment of a community house that is designed to also serve as an evacuation facility in the event of a disaster.

Information and Communication Related and Other Services

SECOM is expanding this business by focusing on comprehensive information and communication related services, which center on information security and disaster response services.



Capitalizing on a solid foundation in "safety confirmation" to expand services

SECOM has acquired a significant reputation as a provider of comprehensive services designed to ensure the security of information and communications in the event of a major disaster. Of particular note is SECOM Safety Confirmation Service, which we have offered since 2004 and which continues to attract considerable acclaim.

SECOM Safety Confirmation Service helps subscribers promptly restore water, electricity and other essential services, and to confirm the whereabouts and safety of employees in the aftermath of an earthquake or other major disaster, thus relieving concern and assisting companies in restarting operations as soon as possible. We continue to add new functions to SECOM Safety Confirmation Service, including one that helps companies to manage exposure to the new H1N1 strain of influenza, in response to the needs of subscribers for greater convenience, as well as to bolster the service menu. Since 2007, we have also offered SECOM Safety Confirmation Service SCM, which enables subscribers to confirm the safety of key suppliers and the extent of damage to essential services. From the perspective of assisting customers to formulate effective business continuity plans (BCPs), ensuring they are not only able to get their own companies swiftly back up

and running in the aftermath of a disaster, but also to promptly confirm the safety of major suppliers and customers.

We are applying know-how gained through the provision of SECOM Safety Confirmation Service to the development of a wide range of new services. The solid foundation we have established with this service, combined with the expertise of a pharmaceuticals manufacturer, facilitated the launch of *YuchuReco*, a documentation service for hemophiliacs, who must administer their own daily medications and



Disaster monitoring center



transfusions of blood products and maintain a careful record to enable physicians to provide proper treatment. *YuchuReco* allows individuals to make entries easily and quickly from a computer or mobile phone, thus helping to prevent errors and omissions.

We are also capitalizing on our know-how in the security services business and the foundation we have established with SECOM Safety Confirmation Service, and have begun offering risk management services. Our expertise in security services and our emergency response capabilities are given full play in Initial Response Operations Service. In the aftermath of a major accident or information leak, for example, we provide around-the-clock services that include handling queries from employees and other related parties and swiftly notifying individuals in charge on the customer side. By promptly establishing a strict chain of communication following such an incident, this service helps ensure an effective initial response.

Another such offering is SECOM Emergency Contact Network Service, which draws on SECOM Safety Confirmation Service to facilitate efficient contact via email or mobile phone for everyday emergencies, rather than in the aftermath of a major disaster, and collates responses, enabling the swift communication of information. Combining Initial Response Operations Service and SECOM Emergency Contact Network Service creates a comprehensive risk management tool.

Going forward, we will continue to enhance the functions of SECOM Safety Confirmation Service, as well as to create new services that capitalize on the foundation we have established in this area. We will also step up efforts to market such services to an ever-broader market.

New Secure Data Center to open

In response to the call for greater security and peace of mind in today's networked society, we operate the

Secure Data Center, a secure environment protected by stringent physical security and monitoring by experts. The Secure Data Center houses servers, as well as important data and other key information assets, entrusted to us by subscribers, who include prominent financial institutions. In response to rising demand for these services, in July 2010 we will open a second facility. Equipped with distinctive SECOM security features and incorporating our extensive expertise in this area, the new Secure Data Center also features an advanced seismically sound design, enabling it to function as a BCP center in the event of a disaster. The new facility is thus particularly well positioned to provide a wide range of services that contribute to greater operating efficiency for subscribers. Looking ahead, the new Secure Data Center will serve as a base from which we provide a wide range of proprietary information and communication related services.

SECOM's Environmental Initiatives

In accordance with our mission, which is to contribute to society through our business activities, and with the belief that protecting the environment is essential to our ability to provide security and peace of mind, we continue to promote environmental initiatives in all areas of our operations.

● A business model that facilitates the recycling and reuse of resources

In our mainstay on-line security services business, which we launched in 1966, we provide equipment on a rental basis, rather than selling it, and take responsibility for equipment management, which includes maintenance and the collection of used equipment. This has enabled us to minimize waste, as well as to enhance efforts to reuse and recycle. We also promote green purchasing, environment-friendly design and other efforts aimed at contributing to environmental protection.

● Reducing CO₂ emissions

We are currently implementing a program aimed at replacing approximately 5,000 cars in our fleet with environment-

friendly vehicles. We are also adopting low-power lighting and air conditioning systems at our various sites, introducing multifunctional OA equipment and implementing other measures aimed at shifting to high-efficiency, low-energy equipment.

On another front, we are promoting "Eco-Anzen Drive," an initiative that aims to reduce the amount of fuel used when driving, as well as to prevent traffic accidents. Additionally, we have established an Environmental Promotion Committee, which promotes voluntary initiatives aimed at making our offices more environment friendly, and SECOM Eco Team, which strives to raise the environmental awareness of each and every SECOM employee at home.

● Furthering our environmental protection initiatives

With the aim of taking our efforts to protect the environment to the next level, we have introduced lifecycle assessments (LCAs) and are working to reduce the environmental footprint of our various products and services over their entire lifecycle, as well as to cultivate new businesses that allow us to contribute further to environmental protection.