

Security Service Subscribers by Category
At March 31, 2001



CONTENTS

SECURITY SERVICES	13
MEDICAL SERVICES	13
INSURANCE SERVICES	14
INFORMATION AND COMMUNICATION RELATED AND OTHER SERVICES	14
OVERSEAS OPERATIONS	16

Security Services

Electronic Security Services

In the fiscal year ended March 31, 2001, revenue and other income in the electronic security services category, encompassing commercial and home security and large-scale proprietary systems, rose 3.9%, to ¥234.4 billion, and accounted for 50.1% of consolidated revenue and other income, down from 54.7% in the fiscal year ended March 31, 2000.

On-line centralized commercial security systems form the core component of this category. Centralized security systems use SECOM sensors, which are located on subscribers' premises and linked via telecommunications circuits to our control centers, to facilitate around-the-clock remote monitoring. Our control center staff collect and analyze data and are prepared to respond promptly to alarms by dispatching emergency response personnel and, if necessary, calling the police, ambulance service, fire department or gas company.

Our centralized home security systems link subscribers' homes with our control centers to facilitate remote monitoring for intruders, fire, gas leaks and medical emergency calls, thereby ensuring safety and peace of mind.

Other Security Services

This category comprises static guard and armored car services. In the period under review, these services generated revenue and other income of ¥47.3 billion, an increase of 4.7%, and

represented 10.1% of consolidated revenue and other income, compared with 11.0% in the previous period.

Merchandise and Other

This category encompasses sales of CCTV surveillance cameras, access-control systems, automatic fire detection and extinguishing systems and intruder detection systems. Revenue and other income in this category climbed 37.2%, to ¥34.4 billion, equivalent to 7.4% of consolidated revenue and other income, up from 6.1% in the fiscal year ended March 31, 2000.

The period brought two important additions to our merchandise lineup, namely SESAMO NT III, an access-control system employing contactless IC cards, and SESAMO MC, an access-control system that uses any magnetic card complying with JIS. We also augmented our lineup of PYTHAGORAS proprietary security vaults with the new PYTHAGORAS series, which offers improved fire resistance at lower prices.

Medical Services

Revenue and other income from the medical services segment was ¥6.3 billion, up 4.8 times from the previous period and accounted for 1.4% of consolidated revenue and other income, compared with 0.3% in the previous period.

During the period under review, subsidiary Secom Home Medical System worked to expand its network of visiting nurse stations,

Percentage of Revenue and Other Income



thereby improving accessibility to the services provided by these stations. In addition to such Medical Care Insurance-approved traditional home nursing services as assisting patients using home intravenous or oxygen equipment, these stations now offer Long-Term Care Insurance-approved services.

In another development, we welcomed Mac, a Sapporo-based medical instruments firm, into the SECOM Group. This development has significantly reinforced our service capabilities in this sector.

Insurance Services

The insurance services segment generated ¥22.7 billion in revenue and other income in the period under review, a decline of 25.5% from the previous period, and accounted for 4.8% of consolidated revenue and other income, down from 7.4%. Subsidiary Secom General Insurance continues to promote sales of attractive products and services that capitalize on its capabilities in security and insurance, such as Secom *Anshin My Car* insurance and Security Discount Fire Policy, for SECOM corporate security system subscribers. During the period under review, the company augmented its lineup with Secom *Anshin My Home*, a comprehensive fire insurance package for SECOM centralized residential security system subscribers that provides comprehensive, seamless protection, thus ensuring safety and peace of mind.

In the area of casualty insurance, Secom General Insurance offers *Anshin L Rich*, a high-return casualty insurance policy, and *Anshin New Double*, a comprehensive policy that pays back the principal in full upon maturity. Customers continue to give high marks to the guaranteed principal and attractive returns of both policies.

Information and Communication Related and Other Services

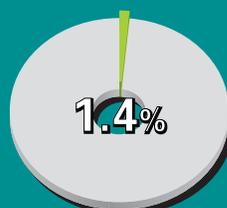
Revenue and other income in this segment advanced 27.3%, to ¥92.6 billion, and constituted 19.8% of consolidated revenue and other income, compared with 17.6% in the previous period.

Software and Information and Communication Related Services

Subsidiary Secom Information System Co., Ltd., is in charge of our information and telecommunications network and Web site design, construction and operation. The company's services also extend to corporate network system design, development, operation and maintenance.

Subsidiary Secom Trust.net provides a wide range of cyber security services, including authentication, network security monitoring and security consulting. Authentication services, such as SECOM Passport for Web, which issues certificates for Web sites, are providing a PKI that will enhance the reliability of e-business activities.

Percentage of Revenue and Other Income



Medical Services



Insurance Services

Network security monitoring involves SECOM Virus Monitoring Service and SECOM Intrusion Detection Service, which provide around-the-clock monitoring and reporting on virus activity and unauthorized intrusion, respectively. Security consulting encompasses the analysis, assessment and diagnosis of network risk and the development of proposals to facilitate its management. Secom Trust.net also offers network construction services and Web application services, which include Web-based information system management and support.

During the period, we capitalized on our technological capabilities in authentication—which enabled us to win several contracts from major banks to build and operate a digital certificate authority service for use with the Identrus business-to-business network of global financial institutions—to launch SECOM Secure Data Center services. In addition to highly physical security and rigorous monitoring of unauthorized network access and virus activity, SECOM Secure Data Center offers various support services to ensure the security and responsiveness of e-business while minimizing costs.

GIS Services

Subsidiary Pasco is one of Japan's leading purveyors of aerial mapping and GIS services. In the period under review, Pasco launched Management Navigation Service, a management support service developed for private-sector cor-

porate customers. Management Navigation Service integrates digital maps with customer-generated corporate data to assist management analysis, marketing and customer service. Pasco extends this service to customers under exclusive, long-term user contracts, whereby it provides regular, low-cost updates of base maps and system content. Pasco also makes use of addresses and other necessary information, which it links with the information from subscribers' systems, base maps and system content.

By enabling management to assess market conditions accurately, Management Navigation Service functions as an important tool for enhancing competitiveness and ensuring survival in a challenging environment.

Education Services

A pioneer in the field of computer-aided learning, subsidiary Secom Lines, continued to promote sales of software packages designed to support computer-assisted learning for schools. These include local-area network (LAN) systems for classrooms and Internet-based software programs.

Real Estate Development

Secom Home Life, the SECOM Group's real estate development arm, continues to incorporate other SECOM Group services, including security, home medical care, information and insurance, to develop and market high-value-added condominiums.

Percentage of Revenue and Other Income



Information and Communication
Related and Other Services



SECOM provides a variety of security services in overseas markets.

Overseas Operations

In line with its belief that desire for safety and peace of mind is universal, SECOM began offering on-line security services in Taiwan in 1978 and in the Republic of Korea and the United States in 1981. Today, SECOM also has operations in the United Kingdom, Australia, Thailand, Malaysia, Singapore, Indonesia and the PRC.

We have earned a solid reputation in overseas markets because of our ability to create packages combining top-of-the-line services with an understanding of local needs and sensibilities. We will continue to capitalize on our expertise to enhance our services in the markets we currently serve as well as expand into new markets where there is demand for SECOM-style security services.

