Percentage of Revenue and Other Income*

Security Services
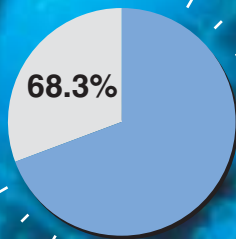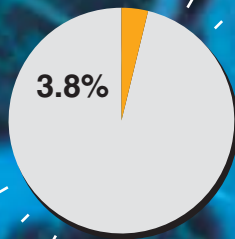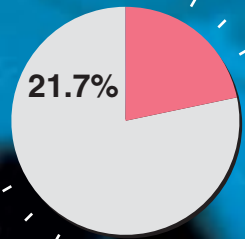
68.3%

Medical Services

3.8%

Insurance Services

5.6%

Information and Communication Related and Other Services

21.7%

*Excluding intersegment transactions

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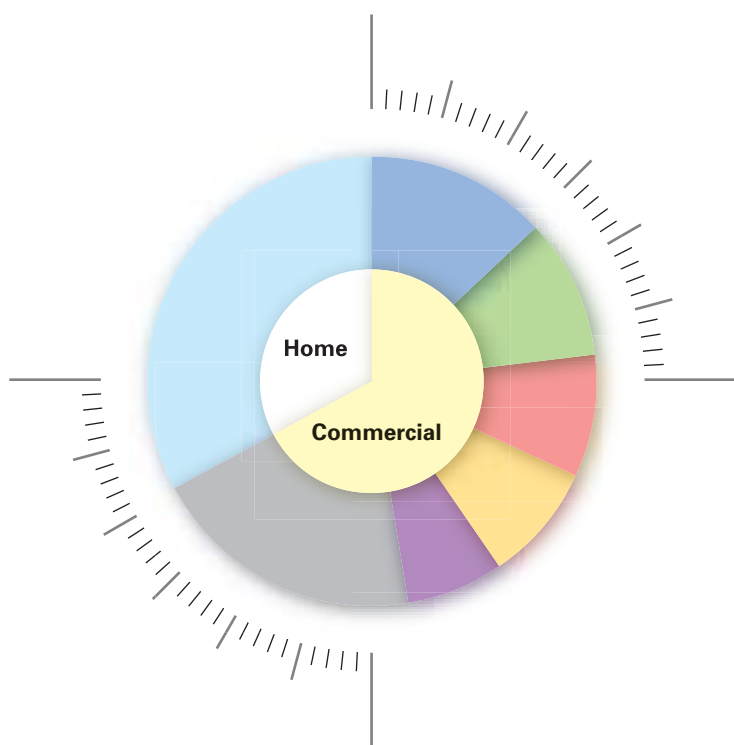
Commercial and Home Security Service Subscribers by Category

At March 31, 2003

● Service industries	13.0%
● Retailing/wholesaling	10.1%
● Financial services	8.8%
● Manufacturing	8.5%
● Government agencies	7.0%
● Others	19.7%
● Households	32.9%

Security Services

Electronic Security Services

In the fiscal year ended March 31, 2003, revenue in the electronic security services category, which comprises the provision of commercial and home security and large-scale proprietary systems, rose 4.2%, to ¥258.4 billion, and accounted for 49.6% of consolidated revenue and other income, compared with 50.2% in the previous period.

On-line centralized commercial security systems form the core of this category. These services use SECOM sensors, which are located on subscribers' premises and linked via telecommunications circuits to our control centers, to facilitate remote monitoring. Control center staff are prepared to respond promptly to alarms by dispatching emergency response personnel and, if necessary, alerting the police or fire department. Our success in this field is underpinned by our commitment to quality, which we have realized by maintaining control over every aspect of our services, from research and development and the manufacture of equipment to planning, installation, 24-hour monitoring, emergency response and maintenance.

For commercial customers, we continued to actively market SECOM AX and SECOM IX, on-line centralized systems that employ advanced image monitoring. Newly launched products included SECOM DX, a centralized security system featuring IC stick-type keys, and ATM Building Security System, Japan's first system that provides protection against ATM robberies involving the destruction of ATM booths.

Our centralized home security systems link subscribers' homes with our control centers to monitor for intruders, fires, gas leaks and emergency calls. In the event of a problem, control center staff dispatch emergency response personnel and, if necessary, contact the police, fire department or other appropriate authorities. Contracts for these systems rose steadily during the period under review.

Large-scale proprietary systems combine on-site patrols with security and equipment management

systems. One of our best-known offerings in this area is SECOM TOTAX ZETA, a comprehensive system for industrial facilities and commercial buildings.

Other Security Services

This category comprises static guard services, which depend on the judgment and practical abilities of extensively trained, professional security guards, and armored car services, which require highly skilled drivers and special vehicles to safely transport cash and valuables. In the period under review, this category generated revenue of ¥53.2 billion, an increase of 4.0%, and accounted for 10.2% of consolidated revenue and other income, compared with 10.4% in the previous period.

Merchandise and Other

We offer a variety of security-related products, including CCTV monitoring, access-control, fire detection and extinguishing, and external and internal monitoring systems; and services, such as COCO-SECOM mobile security services. Revenue in this category rose 2.3%, to ¥44.1 billion, and represented 8.5% of consolidated revenue and other income, compared with 8.7% in the previous period.

In the period under review, we responded to the increasingly diverse security needs of customers with a number of new merchandise offerings. These included D-CCTV, a fully digital surveillance camera system that enables images to be monitored and recorded without deterioration. In the area of access-control systems, we commenced sales of an updated version of SESAMO IDs, our fingerprint identification-based system, with improved precision and processing efficiency. We also augmented our lineup of PYTHAGORAS proprietary security vaults with models offering greater protection against theft.

We also expanded our COCO-SECOM menu of services, which provide security for people and property on the move. New products include COCO-SECOM G-Manager, which provides track-and-locate services for groups of individuals or objects; COCO-SECOM with Emergency Call; and a COCO-SECOM service developed especially for construction equipment.

Medical Services

Revenue and other income in the medical services segment totaled ¥20.0 billion, up 47.7% from the previous period, and amounted to 3.8% of consolidated revenue and other income, up from 2.7% in the previous period.

This segment centers on home medical care-related services, namely home nursing, personal care and pharmaceutical dispensing and home delivery services; remote image diagnosis support; medical information systems; medical equipment sales; management of senior citizens' residences; and leasing of real estate for medical institutions. These services are administered by subsidiary Secom Medical System, established to integrate our medical, health and personal care services.

Our home nursing services have earned a solid reputation among patients and medical professionals alike. We have steadily expanded our network of visiting nurse stations and currently operate more than 30 of these facilities, allowing us to provide services to an increasing number of patients. Hospinet, which is marketed to medical institutions, transmits MRI and CT images via integrated services digital network (ISDN) to the Hospinet Center for examination by our highly experienced diagnostic experts, who then provide consultation to the patient's primary physician. SECOM Ubiquitous EMR supports a team approach to home medical care—in which physicians, nurses, pharmacists and medical care providers work together to ensure effective treatment—by facilitating access to medical reports by authorized personnel over the Internet.

The medical services segment also encompasses subsidiary Mac Corporation. Mac's operations center on the sale of medical equipment and instruments.

Insurance Services

The insurance services segment recorded revenue and other income of ¥29.1 billion, an increase of 1.3%, and accounted for 5.6% of consolidated revenue and other income, compared with 5.8% in the preceding year.

In the period under review, subsidiary Secom General Insurance continued to draw on synergies with other SECOM Group companies to offer an extensive range of attractive products. These include policies that capitalize on our capabilities as a security services provider. Particularly notable offerings are Security Discount Fire Policy, a policy for subscribers to on-line security services, and SECOM *Anshin* My Home, a comprehensive fire insurance policy primarily for home security system subscribers. Both of these policies offer reduced premiums, recognizing the security system as a risk-lowering factor. We also offer New SECOM *Anshin* My Car, an automobile insurance policy that provides round-the-clock on-site emergency services, and MEDCOM, an unrestricted cancer treatment policy that combines insurance services with medical expertise and gives patients access to cutting-edge treatments not covered by Japan's national health insurance scheme.

Information and Communication Related and Other Services

Revenue and other income in this segment rose 9.4%, to ¥113.0 billion, equivalent to 21.7% of consolidated revenue and other income, up from 20.9% in the previous period.

Information Services

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

Secom Trust.net Co., Ltd., specializes in cyber security, providing digital authentication, network security monitoring and other related services. The company's digital authentication services include issuing digital authentication certificates and setting up and operating systems for organizations wishing to establish their own digital certificate authority. Network security monitoring services focus on SECOM Virus Monitoring

Service and SECOM Intrusion Detection Service, both of which feature round-the-clock monitoring and reporting to ensure a high level of security and stability. In addition to cyber security services, Secom Trust.net offers network services and the Secure Data Center, which combines physical and cyber security to provide comprehensive services.

Capitalizing on Group expertise in physical and cyber security, in the period under review we introduced SECOM Data Safe, Japan's first commercial data repository. We also began providing cyber security services to the Miyazaki prefectural government to ensure the security of Miyazaki's e-government program.

GIS Services

Pasco, a leading purveyor of GIS and aerial mapping services in Japan, continued to cultivate new technologies and services in response to the needs of its customers, thereby cultivating new markets for its GIS and mapping services.

In the area of GIS services, Pasco offers PasCAL—a comprehensive GIS service integrating various types of data with digital maps—to government ministries and agencies in line with the Japanese government's "e-Japan Priority Policy Program." The company also offers *Wagamachi* Guide, an interactive site for local governments that enables residents to access various information using a map interface. For private-sector customers, Pasco continued to reinforce its Management-Navigation series of innovative GIS solutions, which includes Management-Navigation Light, an area marketing support service, and Management-Navigation CRM, a customer relationship management support system.

Pasco's mapping services include surveying, which capitalizes on its aerial photography capabilities and remote sensing technologies, and three-dimensional laser measurement, used in urban planning and public facility management.

Education Services

Secom Lines, a pioneer in the field of computer-aided learning in Japan, continued to focus on the development and provision of local area network (LAN)-based learning

systems, Internet-based educational software and on-line educational software utilities.

Real Estate Sales

In line with its goal of providing safe and comfortable homes, subsidiary Secom Home Life develops and markets condominiums that incorporate other value-added SECOM Group services, including security services, home medical care, home personal care, information services and insurance coverage.

Real Estate Leasing

SECOM provides real estate leasing services through its subsidiary Arai & Co., Ltd., which joined the SECOM Group in the previous period. Arai continues to maximize its extensive experience and expertise in property management and draw on the capabilities of other Group companies to generate new synergies and expand its operations.

Overseas Operations

In response to the increasingly diverse and sophisticated security needs of customers worldwide, we are expanding our operations in overseas markets. One distinguishing characteristic of our approach overseas is that we take know-how and security systems developed in our home market and blend them with local customs and conditions to create value-added, customized solutions. This has enabled the SECOM Group to gain local acceptance and create a security service network that transcends differences in customs and cultures.

At present, we have operations in 10 countries and territories. In the belief that the desire for security is universal, we launched our first overseas operation in Taiwan in 1978. This was followed in succession by operations in the Republic of Korea and the United States in 1981. Since then, we have set up operations in Europe, in the United Kingdom; in Oceania, in Australia; and elsewhere in Asia, in Thailand, Malaysia, Singapore, Indonesia and the PRC.