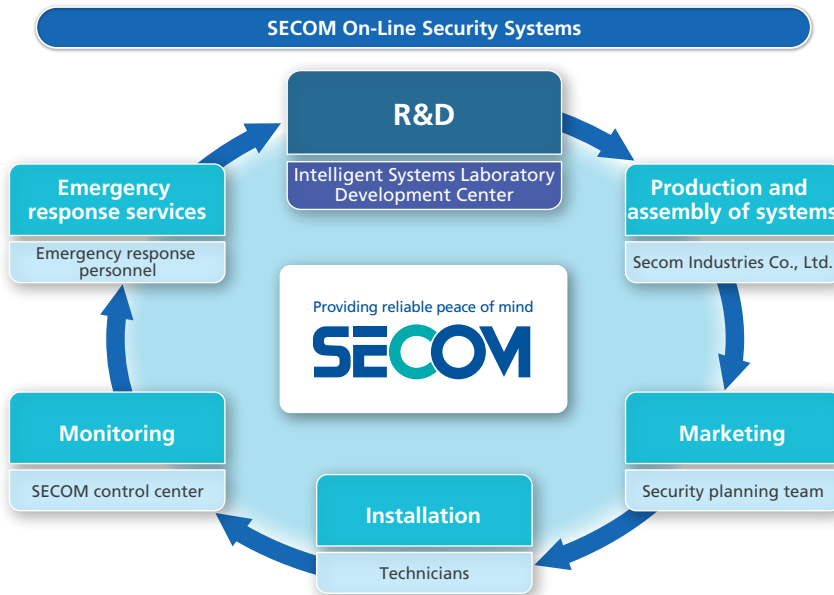


## Reinforcing Competitive Advantages and New Growth

**SECOM on-line security systems include the dispatch of emergency response personnel, a feature that earns high marks from subscribers in Japan and overseas.**



### ► Comprehensive On-Line Security Systems

Our on-line security systems encompass the placement of sensors at subscribers' premises, around-the-clock monitoring from a SECOM control center via telecommunications circuits and the dispatch of emergency response personnel from the nearest emergency depot in the event the sensors detect an irregularity. If necessary, the SECOM control center also notifies the police and/or fire departments.

This inclusive approach differs significantly from that of security service providers based in Europe and the United States, where on-line security services exist but do not as a rule include emergency response services. Moreover, European and U.S. on-line security services providers are generally specialized,

meaning one company manufactures equipment, while another is responsible for installation and yet another handles monitoring.

Our insistence on providing emergency response services, as well as equipment installation and monitoring, reflects our deeply held belief that only by thus guaranteeing subscribers' safety can we honestly claim to be providing security. Appreciation for a distinctive approach, as well as for our lineup of high-grade on-line security systems backed by emergency response services, continues to grow not only in Japan, but also in overseas markets. Today, we are the world's leading provider of such on-line security systems in terms of subscriber base.

Our ability to offer high-grade security services reflects our commitment to

offering comprehensive on-line security systems, whereby we take full responsibility for everything from R&D to equipment manufacturing, sales, security planning, installation, around-the-clock monitoring, emergency response services and maintenance. This scheme enables us to maintain control over all aspects of our services, underpinning both our reputation for reliability and the potency of the SECOM brand and ensuring consistent excellence.

We have also built a distinctive R&D organization. The Intelligent Systems Laboratory conducts research in the area of core technologies, while the Development Center applies these technologies to the development of new security systems. This configuration enables us to swiftly and accurately incorporate feedback from customers into the development process, further enhancing quality.

To facilitate around-the-clock monitoring and emergency response services, we design systems that merge the speed and accuracy of sensors in detecting irregularities and communications equipment transmitting information with the analytical skills and capacity for prompt decision-making and quick action of humans. In particular, we strive to maximize our accumulated experience, reflected in the swift decision-making capabilities of SECOM control center staff and the fast reactions of our highly trained emergency response personnel. Another key factor behind our ability to respond swiftly and accurately is our nationwide network of emergency depots—the most extensive network of any security services company in Japan. This combination of human and technological capabilities is what ensures our ability to provide a full range of security solutions that are a cut above the competition.

Just as crucial to our ability to provide comprehensive on-line security systems is the training and management of human resources. Four SECOM training centers in Japan conduct training for domestic emergency response personnel and for individuals in sales and administrative positions, transmitting knowledge as well as techniques and instilling awareness of our corporate philosophy and the code of conduct that our employees, as security professionals, are required to observe. The effectiveness of training is thus equally crucial to our ability to provide high-grade services.

To make SECOM on-line security services available to an ever-greater number of customers, we recognize the need to offer optimal prices. To this end, we retain ownership of security equipment, which we rent—rather than sell—to subscribers. As a consequence, initial costs for subscribers are lower than would otherwise be the case. The rental format also allows us to take responsibility for maintenance and upkeep, ensuring prompt replacement should a unit malfunction or when an upgrade is needed, thus enabling us to guarantee the quality of our services.

“SECOM-style” is a term used worldwide to describe security services that encompass emergency response services. One reason for this is the fact that since launching overseas in 1978, we have sought to customize our services to reflect local needs and cultural sensibilities. We currently offer SECOM-style on-line security services in 11 countries and territories other than Japan and will continue to promote recognition of our distinctive approach in markets around the world.

## Efforts to realize our Social System Industry vision are backed by innovation and solid R&D capabilities

### ▶ R&D facilities that enable us to respond promptly to the needs of subscribers

R&D plays an essential role in enhancing our comprehensive on-line security systems, with insights from frontline employees and feedback from subscribers obtained through day-to-day sales and service activities incorporated fully into R&D efforts, thus ensuring that both equipment modifications and newly developed systems respond to customers' needs.

Our R&D organization is anchored by the Intelligent Systems Laboratory, which conducts research in the area of core technologies, and the Development

Center, which is responsible for the timely development of highly reliable equipment and systems that leverage these technologies. Our emphasis on R&D reflects our recognition of technological capabilities as a crucial management resource that gives us a key competitive advantage in the security services market.

Since our establishment, we have sought to keep abreast of social trends, patterns of criminal activity and technological advances, thereby ensuring our ability to develop and market a broad range of systems that are needed and welcomed by society. One example of such a system is our on-line image



The Intelligent Systems Laboratory's broad focus ranges from physical security to medical care and social welfare services.



The Development Center conducts development in line with SECOM's own stringent standards.

## Reinforcing Competitive Advantages and New Growth

recognition system, SECOM AX. Japan's first such system, SECOM AX uses sophisticated on-site image sensors that enable it to detect and capture images, even if the premises are in darkness, and record sound. Should an irregularity be detected, SECOM AX transmits images and sound to a SECOM control center. Our image recognition technology is also employed in SECOM IX, our remote imaging security system for commercial facilities offering around-the-clock services; SECOM Robot X, an outdoor patrol robot; and the Intelligent Emergency Alert System, which automatically detects intruders or other suspicious circumstances and transmits images and audio without the need for anyone to press a button.

Going forward, we will continue to draw on our outstanding technologies to develop and market systems that respond swiftly and effectively to customers' needs, as we press forward toward the realization of our Social System Industry vision.



SECOM AX on-line image recognition system



SECOM AX

## Having positioned fiscal 2012 as the first year of a new stage of growth under the banner of ALL SECOM, we are seeking to redefine perceptions of safety and peace of mind

### ► Rallying Group capabilities

To drive forward the consummation of our Social System Industry vision, we have positioned the year ending March 31, 2013, as the first year of a new stage of growth under the banner of ALL SECOM and are seeking to redefine perceptions of safety and peace of mind. The aim of the ALL SECOM concept is to go beyond the barriers separating our various businesses, enabling us to offer new services and systems that respond to evolving social imperatives as well as the expectations of customers.

We are also advocating cooperation among the companies of the Group to encourage mutual understanding and strengthen the Group as a whole. With these objectives in mind, we recently established the ALL SECOM Promotion Department. The new department is charged with formulating strategic measures and proposals that will help us provide far-reaching security and peace of mind.

One outcome of these initiatives is Total Support Service of Emergency Management, which rallies the diverse strengths of our security services, fire protection services, geographic information services, and information and communication related and other services, combining the BCP support services previously provided independently by these various businesses in a single, inclusive system. We also introduced SECOM Remote Monitoring for Seniors, which bundles security services, SECOM Home Service and medical services into a convenient package designed to help protect the wellbeing of seniors.

In addition, we have brought together services from our real estate development and sales business and our medical services business to create a system that gives individuals who have purchased condominiums in our Glorio Roka-koen condominium complex priority access later in life to rooms in one of our residences for seniors or care homes. This system is operated by our medical services business, with the aim of offering peace of mind in a manner that suits the life stage of the subscriber. As these new offerings show, our efforts to encourage collaboration among our various businesses on various fronts have begun to yield solid results.

Looking ahead, we will continue doing our utmost under the ALL SECOM banner to create new services and systems that meet changing customers' needs.

Guided by the ALL SECOM concept, we will remain committed to providing comprehensive services that ensure our customers see us as a partner they can turn to at any time for solutions that will remove sources of unease and deliver security and peace of mind. In so doing, we will strive to reinforce our foundation for growth.



SECOM image monitoring center

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## ALL SECOM: The future of security and peace of mind

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### ▶ Proposing solutions for security and peace of mind in the years ahead

With a view to promoting future growth, we recently held the ALL SECOM-themed SECOM Fair 2012, a major event with exhibits representing our vision, our outlook for security and peace of mind in the future and the appreciation we feel for our customers. Planned as part of the celebrations for our 50th anniversary, the fair visited five cities in Japan, welcoming tens of thousands of visitors in each location.

In line with the ALL SECOM theme of the SECOM Fair 2012, the fair's focus

was not limited to security services, but also introduced systems and services related to our other businesses, namely, fire protection services, medical services, insurance services, geographic information services, real estate development and sales, and information and communication related and other services.

These exhibits, which sought to give visitors a glimpse of how we will contribute to society in the years ahead, included futuristic security systems that evoke our desire to help free society of crime, as well as next-generation fire and disaster protection systems and medical services ranging from everyday healthcare to

emergency medicine and medical care for seniors, an increasing concern in today's aging society.

Going forward, we pledge to devote our utmost efforts to responding effectively to the expectations of customers, as well as to achieving further growth.



Ceremonial tape cutting marking the opening of the ALL SECOM-themed SECOM Fair 2012 in Tokyo



Presentation on SECOM's projections for security services in the near future