

is also crucial, allowing us to swiftly leverage those determined to be optimal. We will continue to place a high priority on R&D in the years ahead, recognizing technological prowess as a key management resource critical to maintaining our competitive edge in the security services market.

To foster human resources, we provide training for emergency response personnel, sales staff, administrative staff and other employees at four training centers across Japan. This enables us to equip employees with the advanced knowledge and technical skills they need and ensures that they fully understand our corporate philosophy and observe a code of conduct befitting security professionals, yielding a robust service framework and facilitating the provision of high-grade, distinctively SECOM services.

Our operational and control structure is supported by extensive know-how accumulated since our establishment, the prompt decision making of our control center staff and swift actions of our highly trained emergency response personnel, and our nationwide network of 2,800 emergency depots, the largest in Japan.

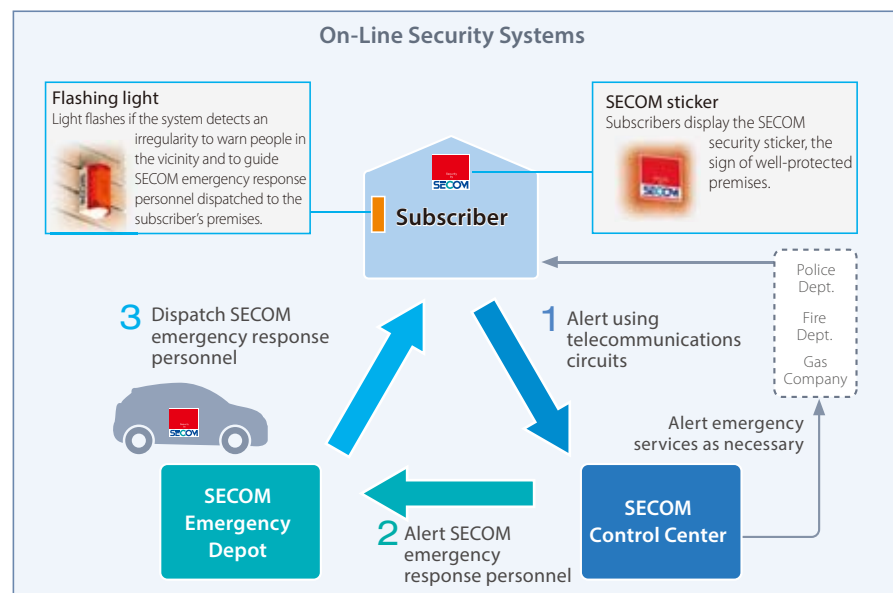
Business summary

Our security services business centers on the provision of on-line security systems, which includes the installation of sensors and other monitoring equipment and around-the-clock monitoring by a SECOM control center via telecommunications circuits. In the event an intruder, fire or other irregularity is detected, control center staff dispatch emergency response personnel from the nearest SECOM emergency depot and, if necessary, notify the police and/or fire department.

A key competitive advantage of our on-line security systems is our integrated service framework, whereby we take responsibility for everything, including R&D, production, marketing, security planning, equipment installation, around-the-clock monitoring, emergency response services and maintenance, which ensures the exceptional quality and reliability of our services.

Our ability to extend integrated on-line security systems derives from the three components of our operating foundation, namely, our technological prowess, human resources, and operational and control structure. Our technological prowess is underpinned by the SECOM Intelligent Systems

Laboratory, which conducts research in the area of core technologies, and the SECOM Development Center, which capitalizes on these core technologies to develop new security systems. These facilities form a robust R&D configuration that facilitates the swift and appropriate development and modification of systems that respond to the requirements and views of customers, contributing to improvements in the quality of our on-line security systems. In an era of rapid technological advances, our R&D team's ability to grasp the latest trends and appropriately evaluate various technologies



Operating highlights

Commercial security services

Capitalizing on our extensive lineup of on-line security systems for commercial subscribers, we work actively to respond to the diverse needs of companies in a wide range of industries. In the fiscal year ended March 31, 2019, we continued to see favorable sales of high-value-added offerings, notably SECOM AX, a remote imaging on-line security system; SECOM LX, which combines monitoring for intruders and fires with access control services, thereby reducing the labor requirements of personnel management; and SECOM FX, which integrates monitoring for intruders and fires with facility control functions. We are currently working to combine function-specific security systems and to develop and provide packages combining multiple systems that are tailored to the varied needs of subscribers.

Reinforcing our ability to propose solutions in the area of facility management

Helping reduce labor requirements for facility management

Ensuring the effective use of human resources and improving productivity in the area of facility management, which includes security services, maintenance and cleaning, have become urgent challenges in recent years, owing to a shortage of labor and rising personnel costs, a consequence of Japan's declining labor force and superaged society. We have partnered with a facility management services company that is part of a major retail group and are collaborating to promote efforts aimed at reducing labor requirements and facilitating the unattended management and administration of large-scale facility management. To this end, we are taking steps to reduce the workload of static guards by, among others, partially automating access control and store opening and closing procedures. Looking ahead, we will further expand such efforts with the aim of creating new business models.

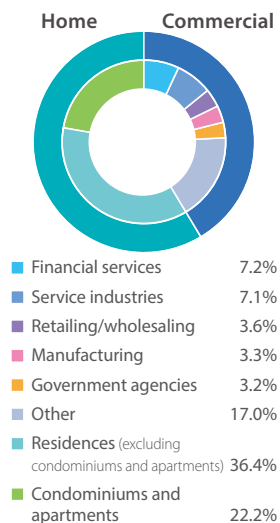
New service joins the SECOM Supply Chain Security Select lineup

In recent years, demands have increased for food-related facilities to implement measures to defend the safety of food against intentional contamination and other issues. In response, we have expanded the scope of SECOM Supply Chain Security Select, which assists companies in securing food safety certification across their supply chains, to include solutions to support the efforts of companies to qualify for certification by the SGS Group* of physical security measures designed to prevent intentional contamination of food, which seek to enhance the visibility of physical security measures crucial to food defense. Earning this certification enables food-related facilities to proffer objective evidence of the implementation status of physical security measures to clients, thereby enhancing such facilities' reputation for reliability. We also promote the acquisition of certification in cooperation with financial institutions rooted in Japan's agricultural, forestry and fisheries cooperatives.

*The SGS Group, headquartered in Geneva, Switzerland, is the world's leading inspection, verification, testing and certification company.

Contracts for On-Line Security Systems

(As of March 31, 2019)



SECOM control center

Advancing the use of AI, drone, robot and other advanced technologies

● AI-powered Virtual Security Guard System is developed

Against the backdrop of a declining labor force, demand in Japan for services that improve productivity and reduce labor requirements is rising in many industries. The security services industry is no exception. In response, SECOM has developed the AI-powered Virtual Security Guard System, which features a life-sized virtual character that appears on a large stationary mirror display and performs security and receptionist duties. Images captured by the virtual security guard and information on the guard's surroundings are transmitted in real time to the subscriber's on-site disaster prevention center, in response to which security guards on duty respond as necessary. Use of this system thus facilitates more efficient staffing and reduces operating costs.

Combining human capabilities and advanced technologies, the Virtual Security Guard System was realized through open innovation integrating our accumulated security services know-how with technologies of a major glass manufacturer, an IT

services company and a leading telecommunications carrier. The four companies involved in this initiative will step up collaboration with a view to commercializing this system in 2020. This will enhance our ability to help make society safer and more secure, as well as more comfortable and convenient.

● SECOM Robot X2 is unveiled

In June 2019, we began providing security services at Narita International Airport using autonomous patrol robot SECOM Robot X2, an updated version of SECOM Robot X, which was developed in 2005. We already offer a variety of services at the airport, including patrol and monitoring services by static guards and access control. By providing advanced services that combine the capabilities of humans and robots and improving efficiency, we will work not only to reduce the workload of static guards, but also to address the issue of a declining labor force, a key social imperative.

● Demonstration tests for drone-based stadium security service meets with success

In collaboration with a leading telecommunications carrier and a leading drone operator, we completed a successful demonstration test of a drone that combines 4G LTE network compliance and a human detection function and is designed to provide security over wide areas for use in sports stadiums. In the test, the drone was used for wide-area monitoring from a high altitude and automatically detected and located suspicious individuals in real time using an AI-based detection function. In addition, another drone patrolling at a low altitude automatically flew toward the suspicious individual when receiving map-linked directions, promptly notifying the stadium's operations center.

Thanks to the development of a new operational management system that uses AI and boasts an information provision function, the new drone is expected to find application not only in the area of security services, but also in various fields where drones are playing an increasingly important role, including equipment inspection and disaster response efforts.



AI enables the Virtual Security Guard System to greet visitors



SECOM Robot X2



A drone airborne above a sports stadium

■ Home Security Services

SECOM Home Security NEO, a new mainstay in our home security services lineup, is a system that can be armed and disarmed remotely from a smartphone. The system also includes a push notification* feature that enables subscribers to receive alerts on their smartphone when the system is accessed by family members entering or leaving the home. Enhanced convenience continues to underscore steady growth in the popularity of this system. In addition to standard home security, including monitoring for intruders and fires and emergency alerts, and optional services such as medical emergency calls, monitoring for gas leaks and safety monitoring, SECOM Home Security NEO can be linked with devices on the IoT to facilitate use of a variety of new services.

The first offering launched under the umbrella of our “Connection” strategy, SECOM My Doctor Watch, is an emergency medical alert and health management service based on a wearable wristband-style unit. SECOM My Doctor Watch sends an alert if it senses no movement from the wearer regardless of whether he or she is inside or outside the home, notifying SECOM that assistance is required. The tracker also

features fall detection, automatically sensing if the wearer has fallen due to a loss of consciousness or any other reason and alerting SECOM. SECOM My Doctor Watch’s health management function includes a pedometer, sleep tracking and a calorie expenditure counter and enables the wearer to access advice regarding lifestyle improvements by smartphone.

This was followed by SECOM *Anshin* Home Delivery Box. Connected to SECOM Home Security, this secure container includes monitoring for unauthorized opening and a smartphone-based delivery notification service that ensures the safe and secure delivery of packages even if the recipient is not at home.

*Push notification is the automatic delivery of information to a device with images or sound.

Responding to rising needs for monitoring services

● Communication robot-based discreet remote monitoring service premiers

In response to demand driven by rising needs for monitoring, in October 2018 we premiered a third offering under our “Connection” strategy, a new home security service that links SECOM Home Security with the Xperia Hello! communication robot. Key functions include voice-activated arming

and disarming of the home security system, subscriber voice-controlled display of the system’s current status and a robot prompt to program when the subscriber returns home or goes to bed.

Combining our accumulated expertise in emergency monitoring with the entertainment value of a robot that one can have conversations with, communications functions that bring family members together, and discreet monitoring using facial recognition and remote imaging, this service represents a truly innovative approach to peace of mind.

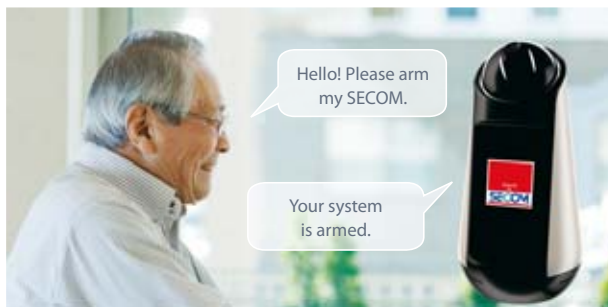
Going forward, we will continue working to provide services that deliver fun and convenience, as well as security and peace of mind, by keeping watch over subscribers both in everyday life and in the event of an emergency.

● SECOM Senior Care Phone Service targets a diverse range of customers

In April 2019, we introduced the brand-new SECOM Senior Care Phone Service. When the user presses the device’s safety confirmation in response to a prompt, an email verifying the user’s safety is automatically sent to registered individuals. If the user does not respond to the prompt, family members or



SECOM Home Security NEO



Xperia Hello!

*Xperia Hello! supports only the Japanese language.

Note: Xperia Hello! is a product of Sony Mobile Communications Inc.



SECOM Senior Care Phone Service

other registered individuals can request the dispatch of emergency response personnel.

Should an emergency arise, the user can summon help simply by pulling the device's strap, which sends an alert to SECOM and, if deemed necessary, triggers the dispatch of emergency response personnel. If emergency services are called, preregistered emergency contacts and information on chronic illnesses can be displayed on the device so that such information is immediately available to ambulance attendants and other emergency services personnel. We offer this service, which does not require a home security services contract, to a diverse range of customers, with the aim of helping resolve the concerns of elderly individuals and their families.

Other security services

COCO-SECOM, a mobile security system for outdoor use, uses signals from GPS satellites

and cellular phone base stations to pinpoint the location of dedicated portable transmitters carried by individuals or attached to objects. If a customer wants to locate a transmitter, he or she can trace it via a dedicated COCO-SECOM website or by contacting the COCO-SECOM Operations Center. Upon receiving a search request from a customer, operations center operators dispatch emergency response personnel and, if necessary, notify the police or the fire department. Users can also notify the COCO-SECOM Operations Center if they are concerned for their physical safety by pushing the transmitter's emergency alert button.

COCO-SECOM was originally developed to deter child abductions and track dementia patients who wander, as well as to prevent the theft of cars and motorcycles. Since then, use has diversified and expanded, bolstered by high marks given the system's convenience. Today, COCO-SECOM is also used to manage taxi and bus fleets, avert the theft of ATMs and manage employee safety.

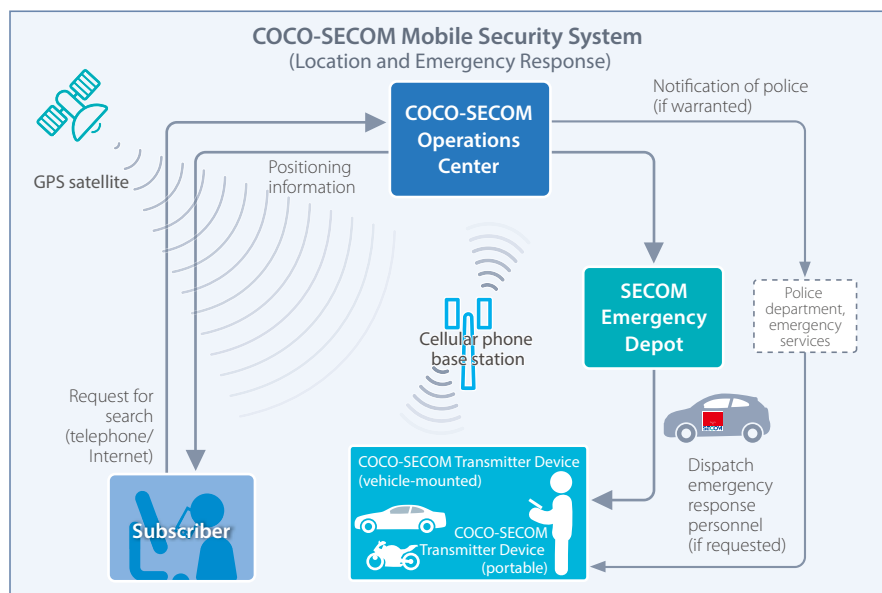
Overseas security services

We made our overseas debut in 1978, when we established a presence in Taiwan. Today, our overseas business encompasses operations in 13 countries and territories. A distinguishing feature of our overseas security services is that we offer on-line security systems with SECOM-style services customized to reflect local needs and sensibilities. The services we provide overseas, which are of the same high quality as those offered in Japan, continue to earn praise from overseas customers, as a result of which market acceptance is increasing steadily.

Publicly listed subsidiaries Taiwan Secom Co., Ltd., in Taiwan, and S1 Corporation, in the ROK, are among the largest providers of security systems in their respective markets. Both companies continue working to expand their operations by providing a wide range of security services with a focus on on-line security systems.

In the PRC, we have established a network of bases in 25 key coastal and inland cities through which we are working to gradually grow demand for commercial and home security systems, among others.

In Southeast Asia, which continues to see economic growth, the efforts of Group companies are bolstering acceptance of SECOM-style on-line security systems in Thailand, Malaysia, Singapore, Indonesia, Vietnam



Control center in the PRC (Beijing Jingdun Secom Electronic Security Co., Ltd.)

and Myanmar. We have also made a full-scale entry into the market for home security systems in major Asian urban centers and in Bangkok have commenced sales of a new-model smartphone-controlled home security system.

Group companies in Australia and New Zealand provide security services to major financial institutions and other customers, earning high marks from customers.

Subsidiary Secom plc provides high-grade, highly rated security services to customers across the United Kingdom.

We continue to promote a variety of collaborative efforts overseas. In one example, we are working with a major retail group to propose facility management and administration services for large commercial complexes that help reduce labor requirements in the PRC, Vietnam and Malaysia, among others. We are also reinforcing our sales of AEDs in Thailand and Malaysia. In addition, we are taking steps to strengthen our SI services business. To this end, we have created an SI team, positioning us to offer detailed proposals for various large-scale facilities under development in Asian markets.

Recognizing considerable potential for growth in the security services market in Turkey, which continues to see robust economic growth, in February 2019 we established a joint venture with a major local conglomerate. This will enable us to provide

high-grade SECOM-style security services to Turkish customers.

The desire for safety and peace of mind, as well as for comfort and convenience, is global. Accordingly, we will continue working to expand acceptance of SECOM-style services in countries and territories where we have established a presence, as well as to enter promising new overseas markets. We will also deploy the ANSHIN Platform overseas and promote the term ANSHIN as a universally recognized and accepted term.

■ Other new services

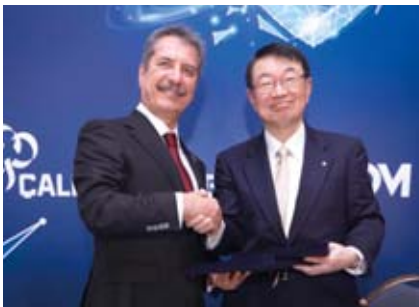
● SECURILOCK Smart launches

A recent addition to our lineup is SECURILOCK Smart, a smart lock system that allows users to activate and deactivate front door, main entrance and other locks remotely using a dedicated smartphone app. The absence of keys and key cards reduces risks associated with the loss thereof. In addition, usage is logged at a secure data center facility, making it possible to confirm who activated or deactivated the system from a smartphone and when. This system also eliminates the need for owners to hand over and collect keys for *minpaku* guest houses, temporary rental offices and members-only facilities. Used in homes, SECURILOCK Smart ensures that visiting nurses, for example, will

not disturb family members by unlocking and locking doors early in the morning and late at night. Going forward, we will step up efforts to market this convenient and highly adaptable system to diverse customers.

● SECOM MyAED on-line home-use AED package service is released

In 2004, we began offering the SECOM AED Package Service, which encompasses the lease and maintenance of AEDs, including the replacement of expendables. Our efforts to ensure that AEDs are available for use in the event of an emergency have earned us a significant share of the general market, which excludes hospitals and the fire department. Recognizing the fact that sudden cardiac deaths often occur at home and that having AEDs available to use should someone in the home suffer cardiac arrest, in December 2018 we launched SECOM MyAED, an on-line package service centering on home-use AEDs that includes repairs in the event of a malfunction and the replacement of expendables when necessary, ensuring that units are always in working order. We will continue working to promote the installation of AEDs in commercial spaces, as well as in homes, with the aim of ensuring these lifesaving kits are available to anyone and everyone whenever and wherever they are needed.



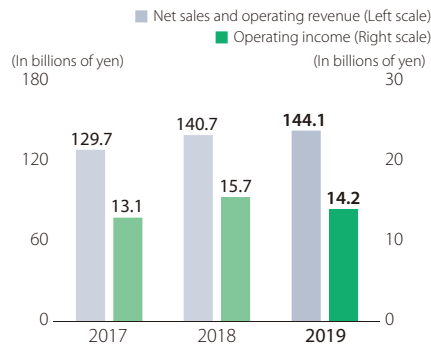
Entering the Turkish market



SECURILOCK Smart



SECOM MyAED



Operating highlights

The evolution of society continues to drive demand for increasingly diverse and sophisticated fire protection services. In this environment, subsidiaries Nohmi Bosai and Nittan, two of Japan's leading fire protection service providers, are capitalizing on their extensive experience to extend innovative and optimized services tailored to customer needs that encompass system planning, manufacturing, installation and maintenance.

In the area of automatic fire alarms, sales focused on securing orders for alarms for new buildings. At the same time, with the deterioration of existing systems fueling replacement orders in the renovations

market, Nohmi Bosai and Nittan continued to draw on their solid track record and the trust of customers to actively promote proposal-oriented sales efforts. In fire extinguishing equipment, major orders rose steadily.

● New integrated GR System for medium- and large-scale premises is launched

Nohmi Bosai recently launched R-26C, an automatic integrated analog GR fire alarm system optimized for medium- and large-scale commercial facilities and other premises. R-26C expands the maximum number of system units that can be built into the control panel to an industry-high 20, which makes it possible to connect an increased number of devices to a single control panel, sufficient for large facilities. User-friendly

features, including an easy-to-read 15-inch display, have earned the system praise from building fire safety officers. Looking ahead, Nohmi Bosai will continue to propose solutions centered on this new core offering.

● Rail Mist, designed to help ensure the stable operation of trains in summer, commences operation

Nohmi Bosai's Rail Mist system, which leverages its Dry Mist* cooling system technologies to stop rails from expanding due to high summer temperatures, has been installed at stations along the above-ground portions of Tokyo subway lines and commenced operation. By cooling the railroad switches, Rail Mist prevents sticking locks and other malfunctions, thereby helping ensure the stable operation of trains in the summer months. Nohmi Bosai looks forward to capitalizing on the success of this project to market Rail Mist to railway operators across Japan.

* Dry Mist sprays tap water in a fine mist, absorbing heat from the ground as it vaporizes, cooling the area sprayed by between 2° and 3° C.

● Local Area Emergency Information Network System is unveiled

Another new addition to Nohmi Bosai's portfolio is the Local Area Emergency Information Network System. This system facilitates swift



R-26C integrated GR system (Nohmi Bosai)

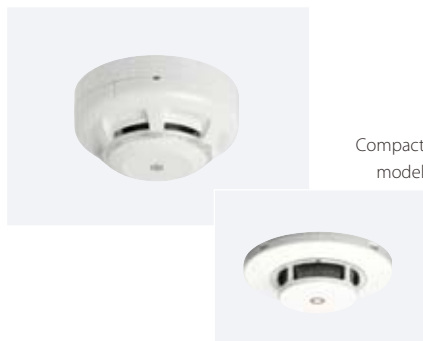


Rail Mist (Nohmi Bosai)

responses in the event of an emergency by sending an email to a designated recipient if sensors detect a fire or an equipment-related irregularity. By promoting the use of this system, which is suitable for installation in residential neighborhoods, structures classified as cultural properties and production facilities, Nohmi Bosai will continue working to contribute to safety and peace of mind for a wide range of local communities.

● **Compact dual optical spot-type smoke detector debuts**

A popular choice for hotels, dormitories and other types of accommodations, the dual optical spot-type detector distinguishes between smoke and steam. Recent years have seen an increase in demand from design-conscious customers for smoke detectors designed with the interior of hotel rooms and other types of accommodations in mind. In response, Nittan has debuted a compact dual optical spot-type smoke detector that complements indoor spaces. Sales of this new offering continue to expand, reflecting a favorable response for the unit as a detector that responds to the needs of various types of accommodations.



Dual optical spot-type smoke detector (Nittan)

● **Next-generation fire protection system for large-scale facilities is developed**

Nittan has developed a next-generation fire protection system for large-scale facilities that integrates a fire monitoring function and positioning information for people and objects. In addition to promptly indicating where fire has broken out, the system communicates the locations of people and objects in real time, thereby making it possible to effectively guide evacuations. The system also provides accurate information to the fire department, thereby assisting with lifesaving efforts. Making use of positioning information on an everyday basis enables subscribers to ensure the optimal management of people and objects in the event of an emergency.

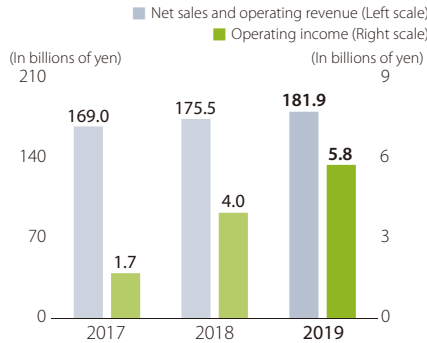
Demonstration tests for this system conducted at multiple facilities illuminated various needs, with many customers expressing high hopes that use of the system will contribute to smooth operations in the event of a fire. Nittan will continue seeking to address these needs by promoting modifications to the system.



Fire protection systems installed at important facilities overseas (Nittan)

● **Operations in overseas markets see brisk growth**

Nittan's subsidiary in the United Kingdom and production facility in Vietnam spearhead efforts to develop products that comply with Underwriters Laboratory (UL) and European Norm (EN) standards, which the company supplies to a variety of customers, including government facilities, banks, high-rise buildings and hotels, around the world. In the period under review, the company focused on expanding sales in emerging economies in Southeast Asia, Southwest Asia and Africa, where demand for fire protection systems is rising. In Vietnam, the company expanded its production facility and supply configuration. Sales of fire protection systems were robust in Sweden and Norway.



Operating highlights

Believing that protecting health and life is the ultimate expression of our commitment to delivering true safety and peace of mind to customers, we have capitalized on ICT to create a seamless menu of medical services encompassing medical care, nursing care and healthcare.

Our mainstay home medical services business provides care to patients in the comfort of their homes. This category includes pharmaceutical dispensing and home delivery, which involves filling prescriptions and delivering medications needed by patients at home; medical supplies such as infusion lines, including central venous catheters for home parenteral nutrition (HPN) and syringes; and extending advice to patients at home. Our home nursing services, which are offered through a nationwide network of 36 visiting nurse stations, support medical care at home by dispatching visiting nurses to provide expert services in the patient's home under the direction of his or her physician.

Our medical services business also includes support for affiliated medical institutions, sales of medical equipment, the operation of residences for seniors, personal care services and electronic medical support services in Japan, as well as the operation of a hospital in India.

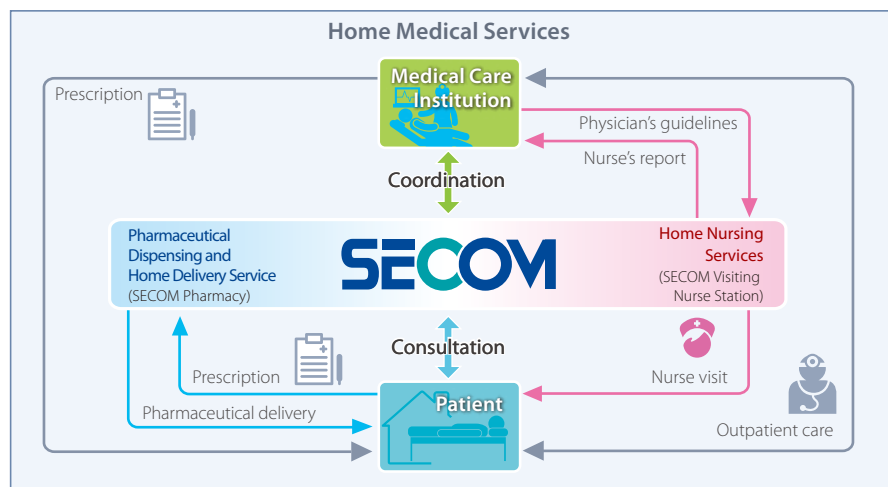
● Provision of SECOM Vitalook system begins

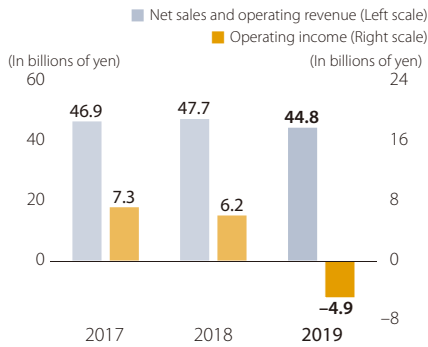
Japan's Ministry of Health, Labour and Welfare promotes home medical care with the aim of enabling seniors, even those requiring a high level of care, to remain in their community. However, because this requires visiting patients' homes to provide care, physicians' workload can increase significantly in the event of a sudden change in a patient's status. To address the need for support that reduces this workload and enhances the quality of care, we began offering the SECOM Vitalook system, a remote medical support platform that leverages our extensive know-how in home medical services and ICT, as well as our robust operating foundation. With this system, patients' biometric data, including electrocardiogram, heart rate, temperature, blood

pressure, weight and arterial blood oxygen saturation, is collected and stored at a data center in real time, allowing physicians, nurses, caregivers and other professionals to monitor the status of home medical care patients remotely. Other features of the system include an automatic alert function that notifies a designated person via email if the patient's heart rate rises too high or drops too low and enables physician-patient videocalls. Looking ahead, we will continue to actively expand our selection of ICT-based medical services.

● Comprehensive agreement is signed with the NCVC

We recently signed a comprehensive agreement with Japan's National Cerebral and Cardiovascular Center (NCVC) as part of an open innovation initiative aimed at improving healthcare and medical care services organized by the institution that involves collaboration among industry, academia and government. The NCVC provides world-class advanced care and conducts research in the area of cardiovascular medicine. The institution previously established the Open Innovation Center to promote joint R&D in the areas of advanced treatments and medical technologies. Under our comprehensive agreement with the NCVC, we will work to create a framework for regional cooperation that targets the prevention, treatment and research in the area of cardiovascular disease, thereby contributing to better community healthcare.





Operating highlights

We believe that both security services, which are preventative by nature, and non-life insurance, which looks after people should misfortune strike, are essential to our ability to deliver uninterrupted safety and peace of mind. In line with this belief, we continue to expand the scope of this business by offering a variety of distinctive insurance policies that we market actively through diverse sales channels.

- **MEDCOM: An unrestricted cancer treatment policy that covers all inpatient hospital treatment costs**

MEDCOM is an unrestricted cancer treatment policy that provides coverage for costs associated with all inpatient hospital treatments, including those covered under Japan's National Health Insurance (NHI) scheme, those for advanced medical care, and those for which the individual usually bears the burden. This enables the subscriber to concentrate on treatment without having to worry about the economic implications thereof. MEDCOM coverage also extends to outpatient treatment, an increasingly

key component of cancer care, providing up to ¥10 million per five-year period. These features continue to attract attention, underpinning the expansion of subscriptions.

- **Fire insurance policies with distinctively SECOM discounts**

SECOM *Anshin My Home* is a fire insurance policy for residential customers that offers a discount on premiums for subscribers who have installed on-line security systems, reflecting our belief that such systems reduce the risk of theft and fire. The Security Discount Fire Policy is a similar policy for commercial customers who have installed



SECOM General Insurance headquarters

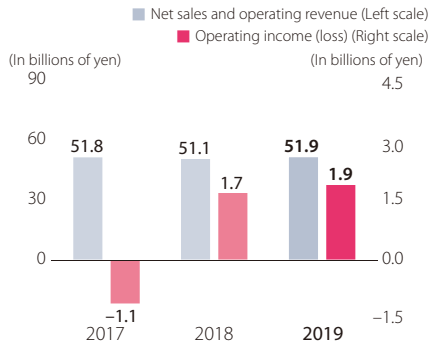
on-line security systems in which premiums are discounted to reflect the risk-mitigating benefits of such systems. We continue to see an increasing number of new commercial and home security subscribers for choosing to also sign up for fire insurance policies at the same time. Against this backdrop, we continue to expand sales of these policies.

- **SECOM *Anshin My Car*: Backed by on-site support from emergency response personnel**

SECOM *Anshin My Car* is an automotive insurance policy that includes around-the-clock access to on-site support by SECOM emergency response personnel in the event of an accident, helping to resolve concerns. This feature, which also includes emergency response personnel contacting the police and ambulance services and photographing the accident site, continues to earn high marks from subscribers.



SECOM *Anshin My Car* on-site support



Operating highlights

Subsidiary Pasco collects geographic data from commercial satellites, aircraft, drones, proprietary vehicles and ship-mounted sensors, among others, which it integrates, processes and analyzes to provide a variety of geospatial information services to public-sector entities—including national and local governments—and private-sector customers in Japan, thereby assisting efforts to address a variety of social imperatives. Pasco also extends services to government agencies overseas. Services for national and local governments in Japan account for approximately 80% of segment net sales and operating revenue.

In the area of services for public-sector entities in Japan, Pasco promoted efforts in the period under review to enhance national resilience to the risk of natural disasters attributable to climate change. In addition to disaster prevention and mitigation, including conducting risk assessments and proposing countermeasures in landslide hazard hotspots and promoting services designed to enhance river



Aerial photograph of areas damaged in the 2018 Hokkaido Eastern Iburi Earthquake

management and counter risks that make use of 3D measurement technologies, the company promoted services for road administrators aimed at supporting the renewal of aging infrastructure. Pasco also provided services that assist in ensuring appropriate forest management, regional industry promotion and support the sustainable management of water-related businesses.

In services for domestic private-sector customers, Pasco worked to address issues in the logistics industry, and develop new technologies and services that help enhance productivity on construction sites. Efforts in the area of services for overseas government agencies focused on improving the soundness of operations in a manner that aligns with the unique market environments of individual overseas subsidiaries, as well as on expanding Japan's official development assistance (ODA)-related orders from the Japan International Cooperation Agency (JICA).

Going forward, Pasco will work to create a private-sector-led satellite utilization business. To this end, the company will take advantage of its experience and know-how in this area, which the company entered in earnest in 2005.

● Business alliance in the logistics field is formed with mobile navigation services provider

Logistics services in Japan are increasingly broad and complex, owing to the rising popularity of online shopping and the diversification of consumer needs. Logistics

services providers face a variety of challenges, including a shrinking labor force, the need to normalize working hours and restrictions governing greenhouse gas emissions. Pasco recently formed a business alliance with a mobile navigation services provider and introduced a new service designed to help logistics services providers realize more efficient, more advanced transport and delivery operations. This service involves Pasco preparing a delivery plan designed to facilitate efficient conveyance to the final destination and, based on the plan, extending support by using mobile navigation to accurately predict arrival times, thereby improving efficiency.

● Sales of drone-mounted green laser scanners commence

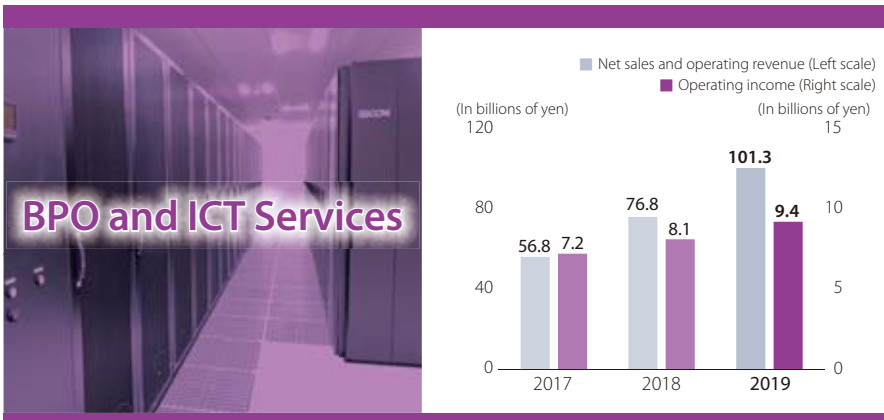
Following the successful completion of research aimed at commercializing a drone-mounted green laser scanner, in March 2019 Pasco acquired marketing rights for this new unit. Green laser scanners enable 3D topographical measurement of bodies of water, including both the beds and above-ground portions, facilitating the efficient creation of highly precise 3D data.

In the current fiscal year, ending March 31, 2020, Pasco began providing a comprehensive surveying services business that includes sales of green laser scanners, support for handling and measuring operations, the provision of data management software and the processing and analysis of 3D data. The company looks forward to these services helping to increase efficiency and improve precision in river management and fields included in the i-Construction* program.

* The i-Construction program was launched by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) as an initiative aimed at deploying ICT in construction and civil engineering to help overcome persistent labor shortages.



Green laser scanner mounted on a drone



BPO and ICT Services

Operating highlights

This segment encompasses the operations of subsidiaries Secom Trust Systems Co., Ltd., which offers ICT services that resolve a variety of issues faced by customers, providing safety and peace of mind and making lives more comfortable and convenient; At Tokyo, one of Japan's largest data center operators; and TMJ, which offers BPO services, including contact center and back office support services.

- Large-scale disaster preparedness, information security and cloud-based services

Secom Trust Systems provides a variety of services that assist subscribers in formulating BCPs to ensure preparedness, as well as the ability to implement effective immediate response measures and promptly restart operations in the aftermath of a major disaster. The SECOM Safety Confirmation Service, one of Japan's foremost disaster management support services, helps subscribers swiftly ascertain the safety of employees and their families in the event of an earthquake or other disaster or the failure of key infrastructure. The SECOM Safety Confirmation Service SCM makes it possible for subscribers to confirm the safety of individuals in charge

at suppliers and quickly grasp the degree of damage to production facilities, allowing them to take effective steps to restore normal operations. These services continue to garner praise, as a result of which contracts with large companies and public-sector entities have grown steadily. At present, these services are used by approximately 7,300 companies employing around 6.7 million individuals.

To assist customers' efforts to prepare for dangers such as disasters, targeted cyber-attacks and system failures, Secom Trust Systems offers comprehensive information security services, ranging from advance diagnostics and the formulation of countermeasures by information security professionals to monitoring/operation and response services in the event an issue arises. The Cryptocurrency Wallet* Service, which protects cryptoassets, capitalizes on our robust secure data center capabilities and know-how in the management of private keys that we have accumulated as a certification authority. This service is attracting attention from a variety of companies.

Secom Trust Systems also extends cloud-based services, which leverage ICT to make customers' business processes more efficient. By digitizing documents and processes, the SECOM Anshin Eco Document Digitization Service realizes significant improvements in efficiency and reduces costs. The SECOM Anshin Employee Attendance Management Service works with SECOM LX, an on-line security system that includes an access control function, to enable the efficient management of entry and exit data, allowing companies to efficiently manage employee attendance. SECOM Shift Scheduler, which makes use of AI, is a service that automatically generates shift schedules and makes staffing recommendations, as well as makes it possible to check shifts from anywhere at any time. Inquiries regarding this system



Information for the Real-Time Disaster Information Service is collected and analyzed at the SECOM Anshin Information Center

have been steady from restaurants and retailers, as well as from interested parties in a number of other industries.

* A cryptocurrency wallet is a system of managing private keys that is crucial for cryptoasset transactions.

● Data center services

The increasing pervasiveness of cloud services and smartphones and the expanding use of AI and IoT continue to yield a steady stream of new services that make use of advanced technologies. Companies and individuals using services connected with data centers often access such services unconsciously, underscoring the fact that data centers today have become a key social infrastructure.

Data center operator At Tokyo capitalizes on its many years of experience and operational know-how to offer a diverse range of customers uninterrupted, around-the-clock world-class data center services that respond to diverse needs and have earned a reputation for quality and reliability. The data center services market continues to expand, bolstered by the increasing number of customers using cloud-based services. At Tokyo has a broad customer base that includes leading companies for which downtime could have

a significant impact on society and major global corporations. To describe its vision of its role as a data center services specialist in the future, At Tokyo devised the phrase "Continue. Connect. Co-Creat: The data center solutions that create and share values through uninterrupted connectivity." The company will continue to expand its data center business by leveraging its ability to provide connectivity to a wide range of service providers and other customers to create the platforms necessary to realize diverse services for an advanced information society.

● BPO services

Japan's declining labor force has led to acute labor shortages in many industries. Against this backdrop, the need to rely on others is spurring robust demand for BPO services.

TMJ provides high-grade, highly rated contact center and back office support services tailored to the needs of leading financial institutions and other companies. The company strives continuously to enhance the quality of its services by promoting quality control circle activities, efforts that have contributed to its ability to ensure long-term contracts with customers.

Recognizing an expanding need for receptionist services among companies in such an operating environment, TMJ recently began providing the SECOM Call on Duty Service, an outsourced telephone reception service that enhances the productivity of staff in departments responsible for customer service support. TMJ is also accelerating efforts to expand use of AI in contact center services in response to companies' needs to swiftly address customer issues and encourage customers to call for assistance, as well as to enhance the precision and efficiency of back office support services by increasing the automation of procedures. By leveraging advanced technologies, TMJ will continue working to realize superior customer experiences and drive digital transformation with the goal of providing its customers with high-grade BPO services that enjoy a solid reputation.

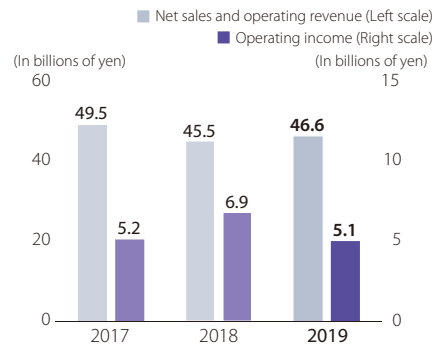


SECOM data center facility



TMJ contact center

Real Estate and Other Services



Operating highlights

● Real estate development and sales

We continue to promote the development and sales of the Glorio Residence series of condominiums, which boast exceptional, distinctively SECOM security features that reflect the concepts of security, peace of mind and reliability, and the Glorio Comfort series of highly secure compact urban condominiums. We also offer the Glorio Scelto series of condominiums for lease and pre-owned condominiums that have been renovated to improve functionality. Looking ahead, we will continue striving to meet the diverse needs of customers as a partner in the provision of living spaces that deliver safety and peace of mind.

● Real estate leasing

Our real estate leasing business focuses on advantageous locations in central Tokyo. This business comprises extensive, highly rated maintenance and management that are used by diverse companies in various industries.

● Construction and installation

We have created a configuration for providing a wide range of high-value-added services, from the design and installation of air conditioning, plumbing and electrical systems to building maintenance.

● Home services

SECOM Home Service is an optional suite of services available to SECOM Home Security subscribers with a diverse menu that enables us to tailor packages that help customers resolve concerns in everyday life. Services offered range from housework support to patrolling around subscribers' homes when they are out.



Glorio Residence Shonan Hiratsuka



SECOM Home Service