

The SECOM Group's Vision for 2030



To accelerate the realization of our Social System Industry vision, in May 2017, we formulated the SECOM Group's Vision for 2030, which positions 2030 as an important milestone and further defines our direction going forward. One year later, in May 2018, we devised the SECOM Group Road Map 2022 to clarify the challenges that must be addressed for us to achieve this vision, identifying 2022 as a particularly critical juncture.

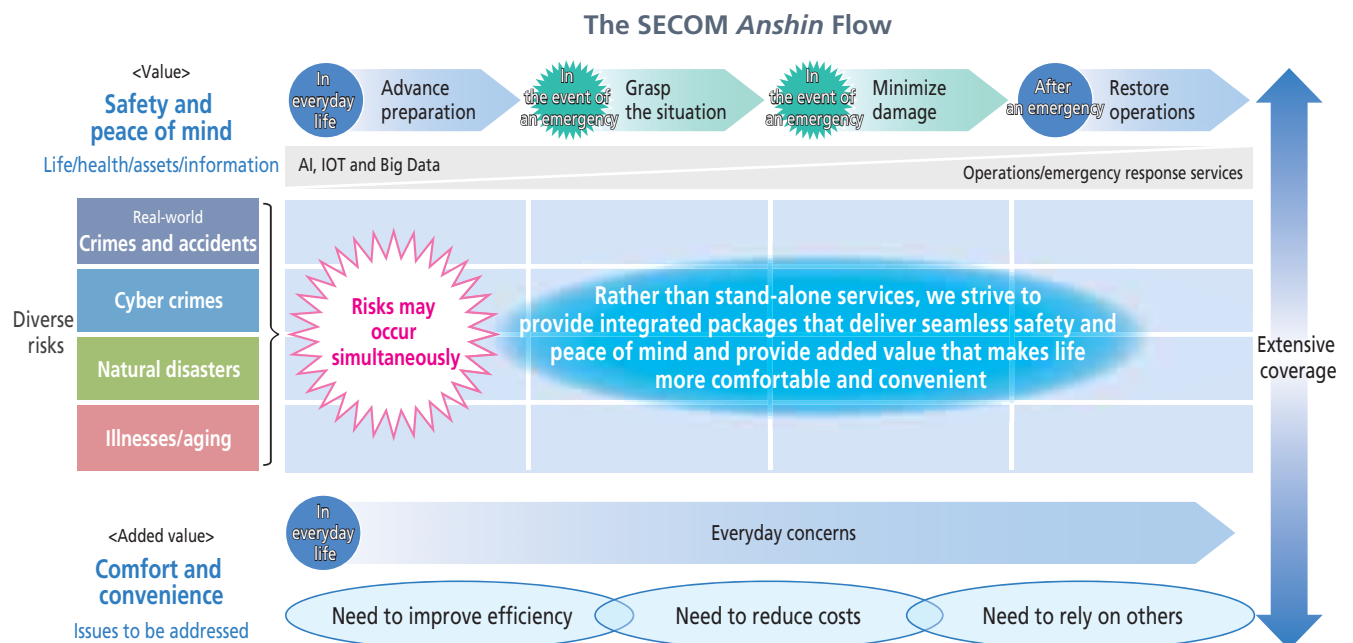
Conceptual framework of the ANSHIN Platform

Guided by the SECOM Group's Vision for 2030, we are working to create the ANSHIN Platform, a service infrastructure through which we strive to provide services that deliver seamless peace of mind for anyone and everyone whenever and wherever necessary.

Anchored in the relationship of trust that we have cultivated with society, the ANSHIN Platform seeks to provide peace of mind to people in their everyday lives, as well as to society as a whole through collaboration with partners in industry, government and academia who share our mission to help achieve a society free from concerns and who have diverse technologies and expertise.

For both companies and individuals, the occurrence of an unanticipated crime or disaster can interrupt daily rhythms. For companies, productivity can fall sharply. Moreover, the greater the damage is, the longer it takes to recover. Society faces significant risks associated with crimes, accidents, cyber crimes, natural disasters, illnesses and aging. In addition to recognizing the importance of routine advance preparation, we provide comprehensive services designed to address potential risks by helping customers accurately grasp conditions, minimize impact and achieve restoration. These four approaches, which comprise what we call the SECOM ANSHIN Flow, enable us to provide seamless peace of mind.

The ANSHIN Platform Service Infrastructure

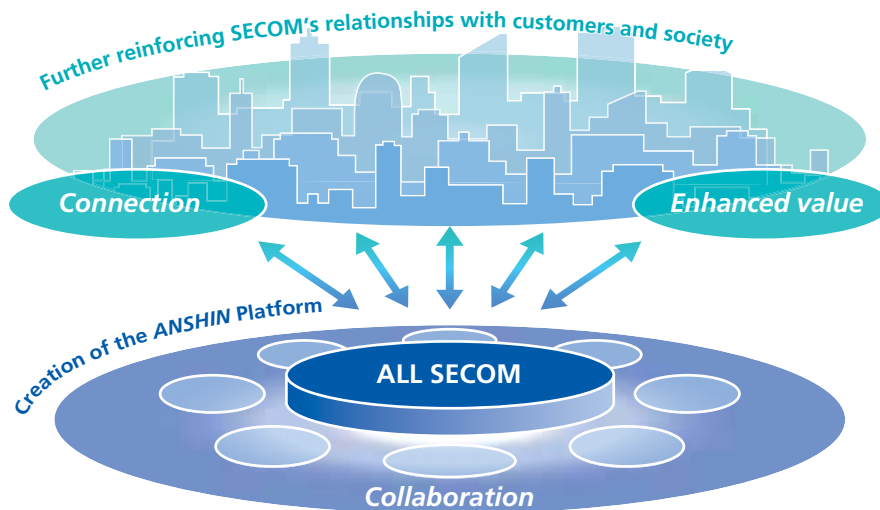


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Strategies for creating the ANSHIN Platform

To create the ANSHIN Platform, we are currently promoting initiatives in line with four core strategies. The **"ALL SECOM"** strategy focuses on rallying SECOM Group strengths to maximize synergies. Through our **"Collaboration"** strategy we are endeavoring to promote open innovation by integrating the business ideas and technologies of various partners who share our mission. Our **"Connection"** strategy emphasizes leveraging Big Data analysis, which makes use of advanced information

technologies, to respond to latent needs and strengthen our relationships with customers, while our **"Enhanced value"** strategy revolves around addressing everyday concerns by adding greater value to services that make life more comfortable and convenient. Guided by these efforts, we continue to promote the creation of services and systems that respond to increasingly diverse needs for safety and peace of mind.



Targeting sustainable growth: Devising the SECOM Group Road Map 2022

In May 2018, we introduced the SECOM Group Road Map 2022, devised using backcasting* with the aim of clarifying the challenges we must address to achieve the SECOM Group's Vision for 2030. The road map identifies technological advances and a declining labor force as priority issues in today's rapidly changing society. For both companies and society in general, these issues can become threats if not addressed properly. We

believe that anticipating evolving needs for solutions to these issues will lead to major business opportunities that will allow us to contribute to the improvement of social productivity.

* Backcasting is a planning method that starts with envisioning a desirable future and working backward from there to identify steps necessary to attain that future.

Targeting sustainable growth

We place a particular emphasis on the sustainability of society and our businesses and thus see related expenditures not as costs but rather as investments that enable us to integrate changes in our operating environment into our operations over the long term. Since our establishment, we have tirelessly pursued service innovations that create value. This is rooted in our fundamental commitment to offering services that anticipate

what is needed to ensure sustainability for society, rather than simply providing services that will sell in any market. This is why people and technology will always be given top priority. Looking ahead, we will continue working tirelessly to enhance our ability to make effective use of these intangible assets, positioning us to cement our competitive edge and earn the trust of our customers and society, thereby growing sustainably.

Linking social change and business opportunities to address social imperatives

Technological advances have brought an increase in the variety of connected devices. This is driving a variety of profound changes, including the realization of connected vehicles, the expanded use of drones and robots, the increasing prevalence of unattended retail facilities and cashless transactions, and the rising popularity of smart homes. Such changes are expected to push up demand related to the need for security in a connected society, which involves the fusion of physical and cyber security.

Owing to a declining labor force, companies face a growing need to outsource noncore functions, which enables them to concentrate on core businesses. With the rising prevalence of families in which both parents work outside the home, we are also seeing an increase in needs related to the care of children and seniors. In response to expanding demand related to the need to rely on others, we will continue working to extend

distinctive services that deliver safety and peace of mind and make life more comfortable and convenient, thereby helping to address key social imperatives.

The COVID-19 pandemic has brought fundamental changes to society, transforming business practices, consumer behavior and work styles. With many of these changes likely to remain even after the pandemic has eased, companies must respond effectively to survive and thrive in what is emerging as a new normal. In response to demand in diverse areas arising from the spread of COVID-19, including that related to the advance of digitization and the use of ICT, we will continue to drive social change to help resolve new social imperatives, thereby ensuring our ability to play a key role in both the social and consumer infrastructures.

Investments in future growth

Recognizing that responding to demand arising from an increasingly connected society and from the need to rely on others would require us to change significantly ourselves—a process we dubbed “SECOM-Transformation”—we positioned the two-year period ended March 31, 2020, as an investment phase, during which we would promote the focused outlays in the areas of systems and human resources.

Investments in systems center on building next-generation core systems and reinforcing functions with the goal of improving service quality and productivity by reducing labor requirements and enhancing employee capabilities. We also invest actively in areas that help bolster the quality and efficiency of our operations, including AI, the IoT and RPA, as well as in efforts to drive R&D targeting innovative services and products

that respond to needs engendered by technological progress and a declining labor force.

Investments in human resources emphasize the reinforcement of critical capabilities that cannot be replaced with technology. Accordingly, we are stepping up efforts to enhance our human capital by securing human resources who have the ability to adapt to change and create value and who seek to contribute to society. Specifically, we are improving our ability to attract and foster talented, experienced personnel, including IT specialists and individuals with global business skills. In addition, we make investments aimed at helping employees fulfill their potential, including the enhancement of our various training programs and other efforts to create positive working environments and boost job satisfaction.

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Achieving the Goals of the SECOM Group Road Map 2022

Having made extensive, focused investments in systems and human resources, the next challenge we face is to develop and deploy new services that build on these investments. To these ends, we will step up efforts to collaborate with partners who share our mission. Overseas, we will continue working to expand the variety of services we offer, as well as to actively enter promising new markets.

We have also allocated ¥200 billion from equity over five years (April 1, 2018–March 31, 2023) for M&As. During this period, we will seek to invest in key growth businesses, namely,

physical security, cyber security, BPO and ICT services and healthcare, as well as in start-ups with advanced technological capabilities both in Japan and overseas.

In addition to promoting new businesses, we will respond to changes arising from the COVID-19 pandemic. Through these and other efforts, we will strive to achieve the quantitative targets we have set for the fiscal year ending March 31, 2023, including consolidated revenue of ¥1.1 trillion and consolidated operating profit of ¥155.0 billion. (Targets are based on Japanese GAAP.)

SECOM Group Road Map 2022

Targets for the fiscal year ending March 31, 2023 (Japanese GAAP) (Provided for reference only)



Note: Figures do not reflect the impact of new M&As.

