

S

SOCIAL

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

17

PARTNERSHIPS FOR THE GOALS

SECOM's approach

In line with our basic philosophy of offering services that are beneficial for society, we believe that the quality of services that deliver “safety and peace of mind” is guaranteed by people. Accordingly, we work to secure and foster human resources with a strong desire to contribute to society.

Securing and fostering of talented human resources

We are focused on securing and fostering talented human resources with the ability to adapt to change and create value and who seek to contribute to society.

Our vibrant, diverse team of employees, who are critical to our ability to provide services that deliver safety and peace of mind, are our greatest asset and another driving force behind our growth and evolution. Accordingly, we strive to secure and foster talented human resources who have the ability to adapt to change and create value and who seek to contribute to society.

As a company that extends services across Japan and around the world, we promote active recruiting efforts. We also work to enhance employee welfare with the goal of improving our ability to retain human resources and have established a variety of programs designed to encourage motivation and productivity, as well as to create employee-friendly workplaces. One such program enables employees to choose the geographic location to which they are assigned to suit stage of life or personal preference. To ease the financial burden on young employees, in the current fiscal year, ending March 31, 2025, we introduced a system whereby SECOM takes care of a portion of student loan repayments.

We provide extensive training to foster human resources with high ethical standards and superior skills. In addition to

Average Hours Spent by Employees in Training

Fiscal year ended March 31, 2023	28.4 hours
Fiscal year ended March 31, 2024	28.1 hours

*Scope of reporting: SECOM CO., LTD.
The method of calculation was revised in the fiscal year ended March 31, 2024, and data for the previous year was revised.

training for all new employees, we are strengthening department- and job-specific curricula that reinforce practical capabilities in a manner that benefits employees on the front lines to support autonomous career building, we also have an overseas study program, a subsidy system for employees to take correspondence courses and a system for employees to declare their preferred department or job type. In the area of training for security guards, we have introduced VR technology to improve effectiveness and ensure employees acquire excellent discernment and know-how.

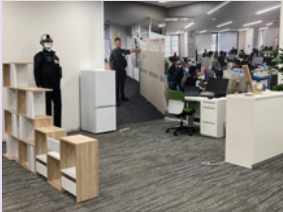
Employee performance reviews look to impartially evaluate employees' efforts and support self-realization. Evaluations are based on reports prepared by employees

assessing their execution of duties, achievements and areas in need of improvement, as well as on rational assessment categories optimized for each particular job. We use an open and fair format whereby review results are disclosed to employees. In addition, we promote self-actualization through

systems designed to assist with career development, including the Self-Reporting System and Challenge Support System, which encourage employees to declare and assist their efforts to realize their own future goals and aspirations.

SECOM opens work experience facility connect base akasaka, which specializes in activities for new recruits

We recently opened connect base akasaka, which allows students who have applied for a job at SECOM to experience working as a security guard, in central Tokyo. This facility enables new recruits to take part in a hands-on program that includes the entire process of providing security with an on-line security system using booths modeled after a customer's premises and a SECOM office. We look forward to welcome new human resources to this facility to help them gain a deeper understanding of the job of a security guard, as well as dispel any concerns they may have before joining SECOM.



connect base akasaka's SECOM office booth

SECOM's Philosophy and the SECOM Group Code of Employee Conduct

Efforts are proceeding to ensure the full penetration of SECOM's Philosophy and encourage strict compliance with the SECOM Group Code of Employee Conduct to bolster employee motivation and earn the trust of society.

Encouraging awareness of SECOM's Philosophy and adherence to the SECOM Group Code of Employee Conduct are essential to maximizing the trust of stakeholders and our corporate value. Handed down since our establishment, SECOM's Philosophy provides a spiritual anchor for Group employees and the entire SECOM Group. The driving force behind our growth and evolution, this philosophy emphasizes a refusal to be content with the status quo and a commitment to doing what is appropriate. The first element expresses our determination to offer innovative services and systems by challenging accepted norms, while the second calls for judging the legitimacy of our actions by examining whether they are just, fair, and beneficial not only to SECOM but also to society as a whole. The SECOM Group Code of Employee Conduct sets forth ideals for the conduct of employees in both public and private life and specific standards for the day-to-day performance of duties. We have

published SECOM's Philosophy and the SECOM Group Code of Employee Conduct in the form of handbooks and pocket-sized guides, which are distributed to employees in Japan and overseas.

Questions on SECOM's Philosophy and the SECOM Group Code of Employee Conduct are included in our e-learning program, which is provided annually, and employees' compliance status is reflected in their annual performance reviews. An employee who becomes aware of a violation is obliged to submit a report to his or her superior. In addition, we have established a whistle-blowing system and are currently using IT equipment and taking other steps to encourage observance.

Since 2018, we have promoted the Tri-ion initiative, which seeks to ensure that SECOM's Philosophy fully penetrates every aspect of our operations and to boost motivation and productivity Groupwide.

Occupational health and safety

We have established a system to minimize occupational safety risks in the area of security services, and work to maintain and improve the health of our employees by managing working hours and conducting health checks.

We believe that our ability to provide safety and peace of mind to our customers depends on first ensuring the health and vitality of our employees. Accordingly, we promote

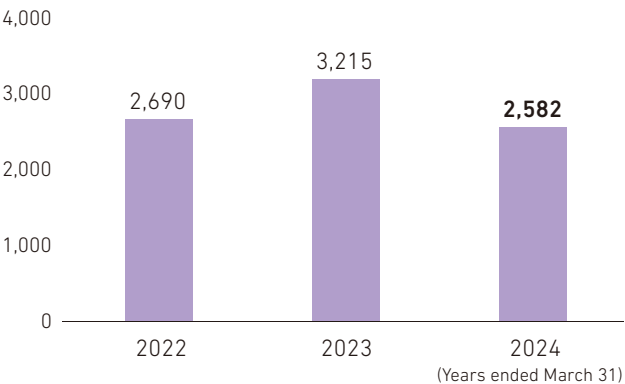
various initiatives aimed at protecting and enhancing employee health and creating safe, employee-friendly workplaces.

The Human Resources Department has established a system to comprehensively manage occupational health in collaboration with the Health Promotion Office, which is staffed with occupational health physicians (OHPs), and the SECOM Health Insurance Union. Site health committees across Japan meet to discuss key issues, including employee working hours and efforts to maintain and improve health, enhance work environments, ensure safety and prevent danger. Employee health check results are managed through the system and used by OHPs to provide health guidance. We also actively care for employees' mental health, conducting stress checks, arranging meetings with psychiatrists and specialized counselors, to make certain that employees feel both physically and mentally supported.

To ensure occupational safety, the Operations Division verifies day-to-day security operations and works to reduce identified occupational safety risks. Our operational and control structure facilitates the efficient exchange of reports and instructions between the front lines and senior management, ensuring that the latter is fully apprised of day-to-day operations across Japan and able to provide instructions for improvements where necessary to bolster occupational safety. Of note, we have developed training to

Participants in Training Aimed at Preventing Occupational Accidents

(Number of people)



*Scope of reporting: SECOM CO., LTD., and certain SECOM Group companies

ensure employee safety in the event of an emergency, as well as programs that seek to improve equipment maintenance to prevent injuries, as well as to enhance driving techniques. Ongoing efforts to create safe, employee-friendly workplaces include the provision of extensive training aimed at preventing occupational accidents, including that related to the risk of security accidents in various situations.

Diversity

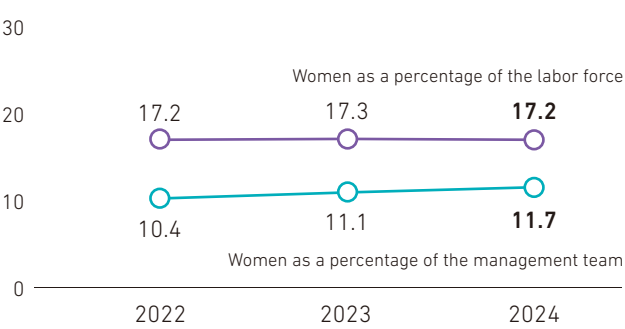
Diversity and inclusion staff have been assigned to the Human Resources Department to promote the creation of positive work environments in which diverse employees can maximize their capabilities.

Recognizing the importance of welcoming a broad spectrum of individuals with wide-ranging ideas to the creation of new value, we actively promote diversity in our labor force, including by advancing career opportunities for female employees. In 2017, we established the Declaration of Promoting Diversity & Inclusion, and assigned diversity and inclusion staff to the Human Resources Department. We currently promote the creation of work environments that maximize the capabilities of all employees regardless of gender, nationality, age, physical ability, sexual orientation, or gender identity.

We continue working to advancing career opportunities for female employees in line with an action plan formulated in April 2021, striving to achieve the plan's objectives by actively fostering female leaders, expanding the scope of jobs available to women, taking steps to prevent harassment, and promoting work-life balance, thereby creating positive work environments for women. Thanks to these efforts, the number of women in management positions is increasing steadily. Women have been

Women as a Percentage of the Labor Force and the Management Team

(%)



*Scope of reporting: SECOM CO., LTD.

Work-life balance

We have established systems that support work styles suited to the different stages of employees' lives and the creation of work environments that encourage job satisfaction and increase employee retention.

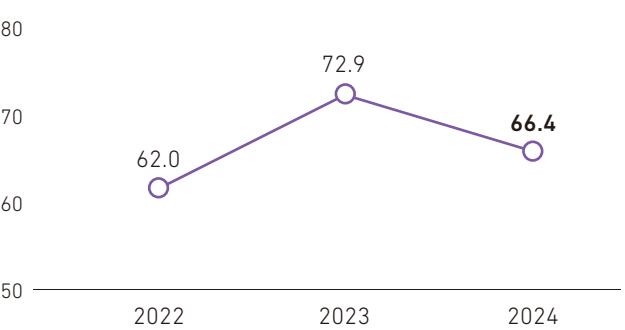
We view work-life balance, including sufficient physical and mental rest and a fulfilling private life, as essential to the ability to approach one's work with energy and focus. In addition to actively encouraging employees to take annual paid vacation days, beginning in the fiscal year ended March 31, 2024, we increased the number of paid vacation days granted to employees at the time they join SECOM from three to nine, with the aim of encouraging new employees to approach their new responsibilities with greater peace of mind. We have also increased the number of paid vacation days granted to employees annually from between two and five days above the legally mandated number, depending on job classification and duties. Due in part to such efforts, the rate at which employees take paid leave, which had risen steadily in recent years, declined in the period under review. We have established a variety of vacation and leave systems to help employees maintain a healthy work-life balance.

- **Flex vacation:** Enables employees to take 10 consecutive vacation days annually, in theory at any time during the year
- **Refresh vacation:** A two-week vacation available to employees every 10 years
- **Maternity leave:** Available for the six weeks prior to and eight weeks after giving birth; an additional two weeks is available to employees who wish to start their maternity leave earlier

- **Childcare leave:** Can be taken up until the day before the child's third birthday and can be taken in up to three installments. The target rate for male employees taking childcare leave is 50% by 2025. In the fiscal year ended March 31, 2024, the rate was 45.8%.
- **Change in working hours/exemption (shorter working hours) for childcare:** Allows employees who are pregnant or have children who have not yet entered the fourth grade of elementary school (exceeds legal requirement, which is children under the age of three) to change their working hours or be exempted from minimum working hour rules
- **Nursing care leave or change in working hours/exemption (shorter working hours) for nursing care:** Enables full leave or adjusted working hours for up to six months (maximum of 186 days) for employees providing nursing care to a family member wishing to return to work full-time after conclusion of nursing care provision
- **SECOM Life Support Program:** Allows employees to temporarily change work style and/or location to which they are assigned to provide childcare or nursing care or to accompany a spouse who has been transferred and provide support for long-term career advancement
- **Job Return Program:** Enables people with at least one year of service who have left employment at SECOM for unavoidable reasons such as childbirth, childcare or nursing care, or to advance their careers by going back to school, studying abroad or changing jobs, to apply to return to work

Percentage of Annual Paid Vacation Days Taken by Employees

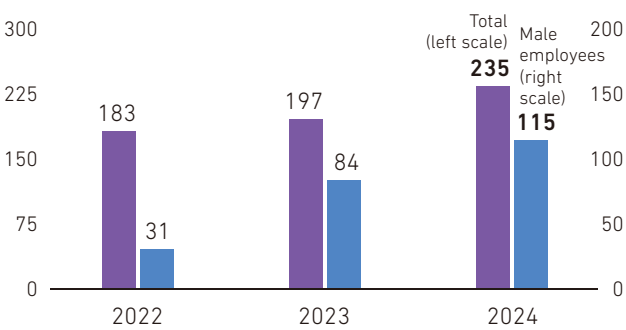
(%)



*Scope of reporting: SECOM CO., LTD.

Employees Taking Childcare Leave

(Number of people)



*Scope of reporting: SECOM CO., LTD.

Employee engagement

Initiatives to boost employee job satisfaction, including raising base salaries for the third consecutive year and granting restricted stock, together with the exchange of opinions between the SECOM Employee Union Federation and executives, are facilitating the creation of employee-friendly workplaces.

We seek to achieve sustainable growth as a strong, flexible organization by creating a virtuous circle, recognizing the importance of enabling employees to demonstrate their full potential, which helps raise the quality of the services and products we provide, thereby enhancing customer satisfaction and earning the trust of society, which in turn increases employee job satisfaction. Since 2016, we have conducted an annual anonymous employee job satisfaction survey. In the fiscal year ended March 31, 2024, the response rate for this survey was 74.2%.

With the aim of both boosting employee job satisfaction and expanding our operations, we granted shares of common stock as restricted stock compensation to approximately 20,000 SECOM Group employees in March 2024. We have also introduced an incentive system as part of our employee shareholders association.

Reflecting our fundamental belief that the growth of our employees is inextricably linked to our prosperity, we signed a union membership qualification agreement with the SECOM Employee Union Federation, which was established in 1964, and became a union shop, meaning that in principle employees automatically become union members when they are hired. As a consequence, our union membership rate for eligible employees is 100%. Management representatives, including the President and Representative Director, meet monthly with SECOM Employee Union Federation to exchange views. Discussions are also held at SECOM Group companies and branches across Japan to address issues such as improving workplace environments and operating procedures and ensuring occupational health and safety. SECOM Employee Union Federation also exchanges views with management through meetings with employees on organizational culture and the SECOM Employee Central Council.

Efforts to renovate control centers helps create more comfortable work environments

Staff at SECOM control centers provide around-the-clock monitoring of the premises of on-line security systems subscribers. We are currently renovating our control centers across Japan to create work environments that enable staff to work in greater comfort, whether during the day or at night. With the number of female employees working as control center staff increasing, we are creating staff rooms exclusively for women. As a result, both work spaces and spaces used for breaks and naps are now cheerful and relaxing. We have heard from multiple staff members that the renovations help them to feel more rested and refreshed.



Renovated control center break room (left) and staff room (right)

G GOVERNANCE

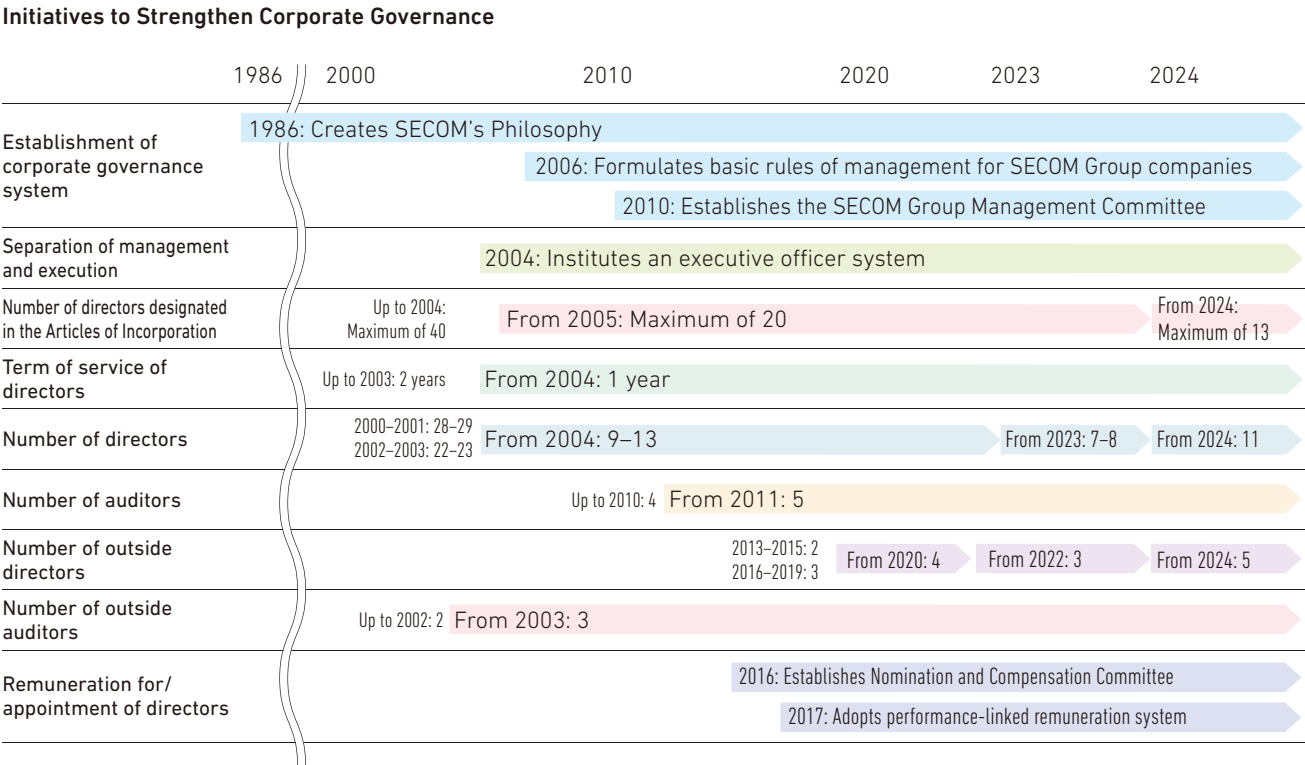


SECOM's approach

To fulfill our responsibilities to stakeholders, we work continuously to strengthen corporate governance by enhancing transparency, ensuring fairness, expediting decision making and guaranteeing the independent oversight of management, which we have positioned as key management challenges.

Corporate governance

In addition to providing independent oversight of the management team's performance and ensuring the appropriate execution of business activities, we are promoting effective disclosure to stakeholders.



Basic philosophy

With the aim of earning the continued support of our customers, shareholders, business partners, employees, local communities, and other stakeholders as a company with value that is worthy of trust, we strive to maximize corporate and shareholder value over the medium to long term and recognize the importance of fulfilling our responsibilities as a corporate citizen and achieving sustainable growth and development.

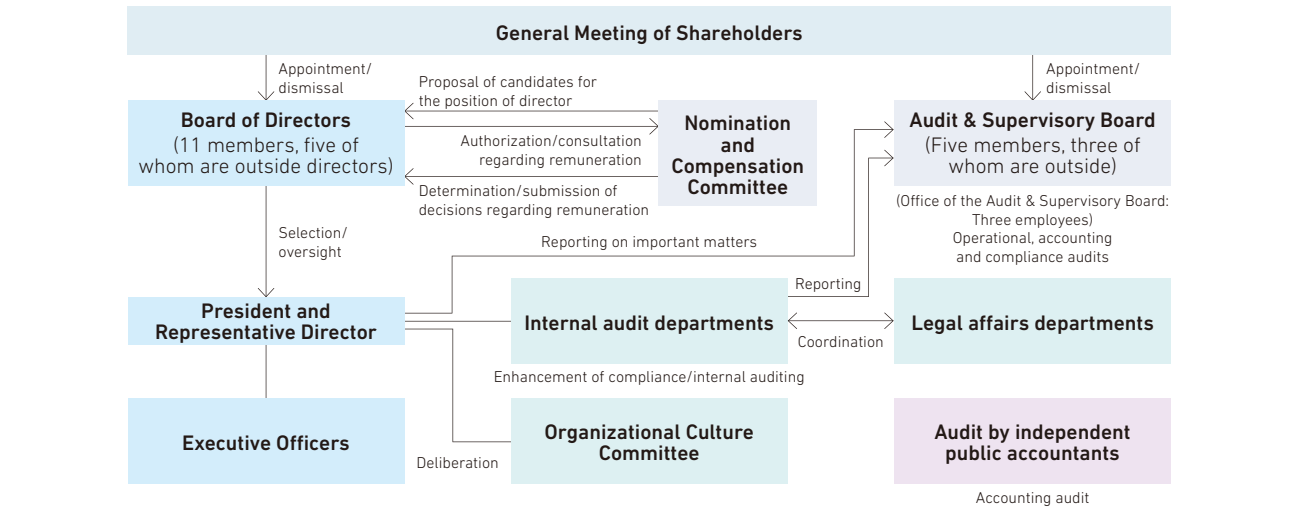
In line with Japan's Corporate Governance Code and at the direction of top management, outside members of the Board of Directors and Audit & Supervisory Board provide independent oversight of the management team's performance in a manner that takes into account the interest of stakeholders and ensures the appropriate execution of business activities. We also work actively to disclose information to shareholders and other stakeholders and strengthen our compliance framework.

Outline of corporate governance system (as of June 25, 2024)

We are a company with an Audit & Supervisory Board. The Board of Directors determines overall management and business execution policies. Executive officers, led by the President and Representative Director, are responsible for business execution. The Audit & Supervisory Board, which includes three outside members, and the Board of Directors coordinate with the internal audit departments to audit and supervise directors' and executive officers' discharge of their duties. Under our corporate governance system, five outside directors are also appointed to the Board of Directors to incorporate external perspectives in decision making and ensure the legality and objectivity of

management. We believe that this enables us to conduct independent oversight of management and ensure appropriate business execution. The Nomination and Compensation Committee has been established as a discretionary committee of the Board of Directors. This committee, which is responsible for presenting candidates for the position of director to the Board of Directors and for ensuring the appropriateness of remuneration for directors, comprises five directors, three of whom are outside. Beginning in June 2023, an outside director has been appointed committee chairperson, a move aimed at improving objectivity and transparency.

Corporate Governance Organization



Board of Directors

The Board of Directors comprises 11 directors and in principle meets monthly, with five members of the Audit & Supervisory Board also in attendance. The Board of Directors is responsible for deciding overall management policies and business execution policies, as well as for monitoring the performance of duties by directors, and strives to promote the active exchange of opinions with the aim of ensuring effective and swift decision making. Six of the 11 members are responsible for business execution, with the remaining five members (outside directors) having no involvement.

Executive Officers

We have adopted an executive officers system, whereby the Board of Directors is responsible for decision making and the executive officers are responsible for business execution. This was done with the aim of strengthening field divisions and enhancing customer service systems by clarifying responsibilities and authority and expediting business execution. We currently have 32 executive officers, six of whom are also directors.

Audit & Supervisory Board

The Audit & Supervisory Board comprises five members, two of whom are full-time and three of whom are outside. In principle, the Audit & Supervisory Board meets monthly. Individuals well-versed in our businesses and internal affairs, as well as in finance and accounting, are appointed to serve as full-time members, while individuals who are independent of the management team, have extensive knowledge of corporate management, legal, financial and other matters and are capable of providing effective oversight and monitoring of the management team, are appointed to serve as outside members.

Nomination of candidates for appointment to the Board of Directors and the Audit & Supervisory Board

In accordance with the policy for appointment set forth by the Board of Directors, candidates for appointment to the Board of Directors and the Audit & Supervisory Board are decided through deliberation by the Board of Directors.

Candidates for the Board of Directors are nominated from among candidates determined through discussion by the Nomination and Compensation Committee, the majority of members and the chairperson of which are outside directors. Candidates for the Audit & Supervisory Board are nominated with the agreement of the Audit & Supervisory Board.

Skills Matrix for SECOM Directors and Audit & Supervisory Board Members

Name and position	Corporate management	Finance and accounting	Legal affairs, compliance and risk management	Sustainability and ESG	Security services industry	Global business	ICT and technology
Yasuyuki Yoshida President and Representative Director	●	●	●		●		
Tatsuro Fuse Senior Executive Director	●			●	●	●	
Yoshinori Yamanaka Executive Director	●			●	●	●	
Seiya Nagao Executive Director	●	●	●		●		
Takashi Nakada Director	●				●	●	●
Makoto Inaba Director	●		●		●		
Takaharu Hirose Outside Director	●			●		●	●
Hajime Watanabe Outside Director	●	●	●				
Miri Hara Outside Director	●	●		●			
Kosuke Matsuzaki Outside Director	●			●		●	●
Yukari Suzuki Outside Director	●			●		●	
Takayuki Ito Audit & Supervisory Board Member	●	●	●		●		
Yasuhiro Tsuji Audit & Supervisory Board Member	●		●		●	●	
Hideki Kato Outside Audit & Supervisory Board Member	●		●	●		●	
Makoto Yasuda Outside Audit & Supervisory Board Member	●	●				●	
Setsuo Tanaka Outside Audit & Supervisory Board Member	●		●		●		

Notes: 1. A maximum of four areas of knowledge and experience are indicated for each Director and Audit & Supervisory Board member.
2. This skills matrix does not represent the entire breadth of knowledge and experience of each Director and Audit & Supervisory Board member.

Internal audits and cooperation among board members and offices

Audits by Audit & Supervisory Board members
Audit & Supervisory Board members attend important meetings, including those of the Board of Directors, to exchange opinions on overall corporate management, as well as to collect reports on the discharge of duties from directors and other pertinent individuals and conduct audits focused on the possible occurrence of violations of laws, regulations, the Articles of Incorporation and/or shareholders' interests. The Audit & Supervisory Board also conducts audits of our overall business activities, as well as those of subsidiaries and affiliates, in accordance with annual audit plans.

Principal Activities of Audit & Supervisory Board Members in the Fiscal Year Ended March 31, 2024	
Participation in meetings of the Board of Directors	98.3%
Participation in meetings of the Audit & Supervisory Board	98.5%
Information sessions with directors and other executives of the parent company, subsidiaries and affiliated companies	62 times
Audits conducted by Audit & Supervisory Board members at remote locations	87 locations

Outside directors and outside Audit & Supervisory Board members

We appoint individuals who have extensive knowledge of corporate management to serve as outside directors, thereby incorporating a broad range of external perspectives not constrained by the internal affairs. We thus have a structure that ensures the transparency and objectivity of management.

We appoint Audit & Supervisory Board members who have a wealth of knowledge of corporate management, legal, financial and other matters (including three outside members, who are essentially independent of the management team). We have also established an auditing organization (including the Office of the Audit & Supervisory Board) that operates independent of day-to-day operations and a process (including periodic meetings between the President and

Regular meetings between the President and Representative Director and Audit & Supervisory Board members
Audit & Supervisory Board members hold regular (monthly) meetings with the President and Representative Director, during which they exchange opinions on important management-related issues, including the results of audits, to ensure common understanding.

Meetings between Audit & Supervisory Board members and accounting auditors
Audit & Supervisory Board members meet regularly (six times annually) with the accounting auditors, as well as additional meetings as necessary, for the purpose of exchanging opinions and information. Audit & Supervisory Board members receive explanations and exchange opinions regarding annual audit plans and audit results. If necessary, Audit & Supervisory Board members also act as observers during audits conducted by the accounting auditors at remote locations and during audit reviews (15 times in the fiscal year ended March 31, 2024).

Collaboration with internal audit and other departments
Audit & Supervisory Board members hold regular (monthly) meetings with the Internal Audit and Compliance Department, during which they receive reports and exchange opinions on the results of internal audits and, as appropriate, receive reports on inspections of subsidiaries from and exchange opinions and information with the Group Governance Department. If necessary, to ensure the efficiency of audits, Audit & Supervisory Board members ask the internal audit departments to conduct investigations.

Representative Director, among others, and the Audit & Supervisory Board members). This ensures that Audit & Supervisory Board members' objective and neutral opinions are reflected promptly in operations. As a consequence, we believe that we fulfill our responsibility to conduct independent oversight of management performance in a manner that takes into account the interests of stakeholders.

We appoint outside directors and outside Audit & Supervisory Board members on the basis of pertinent requirements set forth in Japan's Companies Act and the standards concerning independence set forth by financial instruments exchanges.

Outside Directors and Outside Audit & Supervisory Board Members (Fiscal year ended March 31, 2024)

		Name	Principal activities	Attendance at Board of Directors' meetings	Attendance at Audit & Supervisory Board meetings
Outside directors		Takaharu Hirose	Mr. Hirose offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained in the foundation and management of multiple enterprises and industry organizations. In addition, he participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, he performs his supervisory function as an outside director adequately.	12	—
				12	
		Hajime Watanabe	Mr. Watanabe offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained through his many years of experience in corporate management. In addition, he participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, he performs his supervisory function as an outside director adequately.	12	—
				12	
Outside Audit & Supervisory Board members		Miri Hara	Ms. Hara offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained as a corporate officer and a tax accountant. In addition, she participates in deliberations of the Nomination and Compensation Committee as a member thereof. Through these activities, she performs her supervisory function as an outside director adequately.	12	—
				12	
		Hideki Kato	Mr. Kato offers advice and recommendations at meetings of the Board of Directors, among others, based on experience gained through the execution of national policies and insights gained as a result of his accomplishments at a policy think tank. He also asks questions and states opinions to clarify issues.	12	13
				12	13
Outside Audit & Supervisory Board members		Makoto Yasuda	Mr. Yasuda offers advice and recommendations at meetings of the Board of Directors, among others, based on experience and insights gained in the management of a global enterprise. He also asks questions and states opinions to clarify issues.	12	13
				12	13
		Setsuo Tanaka	Mr. Tanaka offers advice and recommendations at meetings of the Board of Directors, among others, based on experience and insights gained through the holding of important positions in government. He also asks questions and states opinions to clarify issues.	12	13
				12	13

Note: Information on attendance at meetings of the Board of Directors and Audit & Supervisory Board is for the fiscal year ended March 31, 2024.

Philosophy regarding the diversity and size of the Board of Directors

The Board of Directors consists of internal directors, who are familiar with SECOM's businesses and have diverse knowledge, and several outside directors with extensive insight in corporate management and other areas. Diversity in terms of gender and international experience is ensured

and the number of members is appropriate to facilitate discussions and resolutions of substance. We will continue working to enhance the effectiveness of the Board of Directors by promoting further diversity and ensuring the appropriate size of the Board.

Remuneration for directors and Audit & Supervisory Board members

Remuneration for directors consists of pecuniary remuneration (fixed monthly salary and bonuses) and share-based remuneration (shares with restrictions on transfer). Outside directors receive a fixed salary only. The fixed monthly salary portion of pecuniary remuneration paid to directors and the share-based remuneration paid to directors (excluding outside directors) are determined comprehensively in consideration of job responsibilities and years of service, as well as the performance of the Company. Bonuses paid to directors (excluding outside directors) are determined with comprehensive consideration given to consolidated operating profit, earnings per share and employee engagement (employee satisfaction), which are key management targets. The relative proportion of fixed monthly salary, bonuses, and shared-based remuneration paid to directors (excluding outside directors) is approximately 65:15:20.

Remuneration for Audit & Supervisory Board members comprises pecuniary remuneration only and is determined in amounts commensurate with job responsibilities, through deliberation of the Audit & Supervisory Board set within the maximum limit resolved at the Ordinary General Meeting of Shareholders (¥90 million/year).

Remuneration for Directors and Audit & Supervisory Board Members in the Fiscal Year Ended March 31, 2024

Position	Total remuneration (Millions of yen)	Breakdown of total remuneration (Millions of yen)				Number of entitled individuals
		Basic remuneration	Performance-linked remuneration		Nonpecuniary remuneration	
		Fixed salary	Stock options	Bonus	Restricted stock	
Directors (excluding outside directors)	278	224	—	40	13	6
Audit & Supervisory Board members (excluding outside members)	47	47	—	—	—	3
Outside directors	30	30	—	—	—	3
Outside Audit & Supervisory Board members	28	28	—	—	—	3
Total	385	331	—	40	13	15

Note: The Company's target for consolidated operating profit in the fiscal year ended March 31, 2024, was ¥132,200 million. The actual result was ¥140,658 million. (Calculated based on Japanese GAAP)

Evaluation of the Board of Directors' effectiveness

Evaluation process

The effectiveness of the Board of Directors is evaluated annually. In the period under review, a survey was conducted in January 2024 and responses were collated by the Board's secretariat in mid-February. Findings were subsequently discussed by the Board.

Summary of findings

Composition of the Board of Directors

The opinion was expressed that the appointment of a female director and other measures have ensured the diversity of the Board of Directors, that the balance between execution and oversight is suitable and the Board is an appropriate size to ensure active discussion and swift decision making. Constructive views were also expressed regarding further diversification of the Board's composition, including by increasing the number of female directors and appointing directors with various backgrounds.

Administration of Board of Directors' Meetings

The Board of Directors meets once monthly in principle to enable swift discussion and resolution of critical matters. To ensure that directors and Audit & Supervisory Board members are able to make appropriate decisions, matters deemed particularly critical are discussed by the Board of Directors prior to resolution and a progress report on those matters is made to the Board of Directors subsequent to resolution. Both outside directors and outside Audit & Supervisory Board members actively made comments and

expressed the opinion that the atmosphere was conducive to free and open discussion. The view was also expressed that improvements in the process for advance discussion and reporting on ongoing progress, the explaining and reporting of various matters, and the prior delivery of pertinent materials to the Board of Directors, had been seen since the previous survey. Various opinions were also expressed, including that opportunities should be created for free debate, thereby invigorating discussion, as well as for further communication with outside directors.

Oversight function of the Board of Directors

Matters handled by the Board of Directors were selected appropriately, based on the Rules of the Board of Directors, and the opinion was expressed that discussions on management policies and corporate philosophy were adequate. In addition, constructive views were expressed regarding concrete discussions on the progress of discussions, currently being undertaken from a medium- to long-term perspective, on the general direction of management strategies in light of changes in the operating environment, as well as DX initiatives, human resources strategies, governance and risks.

Future initiatives

To further enhance corporate value and realize an even more effective Board of Directors, we will continue to promote efforts to improve the Board's functions based on evaluations and opinions expressed.

Status of strategic shareholdings

Policy on shareholdings

We may, after comprehensive examination, acquire and/or hold listed shares for the purpose of collaboration, capital or business tie-up, business incubation, or the maintenance or expansion of transactions involving our services and products. If as the result of an assessment, the appropriateness of such a holding is judged insufficient, it will be targeted for reduction through the sale of shares.

Verification of the rationality of shareholdings

The Board of Directors assesses the benefits and risks arising from each holding annually. In addition to confirming the status of transactions with, as well as the growth potential and profitability of, each investee company, based on financial condition and operating performance, we comprehensively examine the appropriateness of the holding and determine whether it should be maintained.

A Conversation Among Outside Directors

Three of SECOM’s outside directors sat down for a conversation, reflecting on Board of Directors meetings in the fiscal year ended March 31, 2024, and exchanging opinions on key events and core themes of the period, with a view to reinforcing corporate governance.



<p>Miri Hara Outside Director Member of the Nomination and Compensation Committee Principal concurrent positions held at other organizations: Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc. Outside Director, Nippon Sanso Holdings Corporation</p>	<p>Takaharu Hirose Outside Director Chairperson of the Nomination and Compensation Committee Principal concurrent position held at another organization: Chairman and Representative Director, Monitas, Inc.</p>	<p>Hajime Watanabe Outside Director Member of the Nomination and Compensation Committee Principal concurrent position held at another organization: Chairman and Representative Director, Watanabe Pipe Co., Ltd.</p>
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Hopes for the new president going forward

Hirose In April 2024, Yasuyuki Yoshida assumed the presidency of SECOM, with the whole handover of the reins going very smoothly. Since then, he has demonstrated unique competence in his new role while remaining true to SECOM’s Philosophy, created by late founder Makoto Iida, and the corporate culture long cultivated by the Company.

Hara SECOM’s Philosophy emphasizes a refusal to be content with the status quo, that is, a determination to provide innovative services and systems that challenge accepted norms. I believe that Mr. Yoshida has the key qualities needed in a chief executive—namely, character, acumen and leadership skills—so I expect to see him fully exercise his potential to promote effective management

while remaining steadfast in refusing to be satisfied with the existing state of affairs.

Watanabe One thing I look forward to is seeing him galvanize the Company’s human resources. Progress has already been made, including the replacement of members of the Board of Directors, and I advised him that this is a chance to effect positive change and drive SECOM ahead by promoting organizational rejuvenation and bold appointments, among others.

Hirose The SECOM of today was built by Makoto Iida, who was an outstanding businessman. However, going forward it will be necessary to realize an even more effective organization by depending not only on the ability of a single

leader but also on the creation of a team that rallies the capabilities of a wide range of individuals. Mr. Yoshida has a good sense of balance and I expect him to demonstrate tremendous competence working as part of such a team.

Enlivening discussions at meetings of the Board of Directors

Watanabe Speaking of teamwork, there have also been changes in the composition of the Board of Directors. We now have younger directors than we did in the past. The number of outside directors has increased from three to five, two of whom are women, up from one. The addition of an outside director with a global business perspective is another encouraging development given the Company’s plans for expanding global operations.

Hirose I do hope that having a greater number of directors enhances teamwork, but there’s always a risk that greater numbers will make it difficult for each individual to express their views. Looking ahead, we may need to create opportunities for more in-depth discussions by, for example, further probing particular themes.

Hara The mood of meetings has always been such that everyone feels able to speak freely, but I trust that the new directors will facilitate far-reaching discussions from new and different perspectives.

Watanabe Society continues to evolve at a dizzying pace, but I think SECOM has the ability to change at least as quickly. This is also what employees want, I believe, so I think it’s important for us to encourage more active discussion at Board of Directors’ meetings to further expedite transformation.

Hara Management agility is imperative. Just as an example, I regularly participate in roundtable discussions with female employees in various roles in the Company. In one of these discussions, the view was expressed that internal procedural manuals are too complicated and a cause of considerable anxiety, which I reported at the Board of Directors meeting in August 2023. A procedural manual improvement team was immediately established and six months later a system was launched for managing and enhancing the usability of manuals. Feedback from the front lines has been positive, with people saying that administrative procedures have become much more straightforward. It is my hope that the organization continues to be able to respond equally swiftly to whatever issues arise.

SECOM Group Road Map 2027: Expectations and challenges

Hirose SECOM employees are working as one to meet the targets of the SECOM Group Road Map 2027, and we anticipate significant growth in the fiscal year ending March 31, 2028. That said, the desire to ensure steady growth tends to engender an emphasis on stability, so I think it’s important for the new president to demonstrate leadership by showing a willingness to take chances and make bold decisions.

Watanabe SECOM has a diverse business portfolio, but I think it is possible to integrate its businesses more organically to expand business opportunities. Achieving the targets of the SECOM Group Road Map 2027 is contingent on the Company’s ability to further leverage its comprehensive capabilities. In the area of on-line security systems, the core of SECOM’s security services business, the Company has approximately 2,600 emergency depots across Japan with staff onsite around the clock. While this is certainly costly, it is what enables SECOM to provide its distinctive emergency response services. Even if the Company steps up its deployment of technology to bolster the efficiency of these services, full mechanization and automation will be impossible. We thus recognize the need to boost capacity by invigorating workplaces and enhancing front-line capabilities. SECOM is a key component of the larger social infrastructure. As such, I feel it is important to ensure it is an organization for which people feel proud to work.

Hara The Company continues to promote the globalization of its operations, and in terms of human capital management I look forward to it also prioritizing the empowerment of women in the years ahead. The number of women in management positions has risen steadily in recent years, but further, dramatic measures may still be necessary to ensure female employees can enjoy long, active careers.

Hirose I commend SECOM for implementing forward-looking measures that benefit employees, including implementing three consecutive annual base salary increases and introducing a restricted stock compensation plan for executives and employees. I hope the Company continues to accelerate its efforts to drive corporate growth by encouraging employee growth.

Directors, Audit & Supervisory Board Members and Executive Officers

(As of August 31, 2024)

Directors



Yasuyuki Yoshida
President and
Representative Director



Tatsuro Fuse
Senior Executive
Director



Yoshinori Yamanaka
Executive Director



Seiya Nagao
Executive Director



Takashi Nakada
Director



Makoto Inaba
Director



Takaharu Hirose
Outside Director



Hajime Watanabe
Outside Director



Miri Hara
Outside Director



Kosuke Matsuzaki
Outside Director



Yukari Suzuki
Outside Director

Audit & Supervisory Board Members



Takayuki Ito
Audit and Supervisory
Board Member



Yasuhiro Tsuji
Audit and Supervisory
Board Member



Hideki Kato
Outside
Audit and Supervisory
Board Member



Makoto Yasuda
Outside
Audit and Supervisory
Board Member



Setsuo Tanaka
Outside
Audit and Supervisory
Board Member

Executive Team

Directors

Yasuyuki Yoshida
President and
Representative Director

Tatsuro Fuse
Senior Executive Director

Yoshinori Yamanaka
Executive Director

Seiya Nagao
Executive Director

Takashi Nakada
Director

Makoto Inaba
Director

Executive Officers

Tatsuya Izumida
Managing Executive Officer

Osamu Ueda
Managing Executive Officer

Yoichi Sugimoto
Managing Executive Officer

Sumiyuki Fukumitsu
Managing Executive Officer

Osamu Nagai
Managing Executive Officer

Sadahiro Sato
Managing Executive Officer

Yasufumi Kuwahara
Executive Officer

Noriyuki Fukuoka
Executive Officer

Takeshi Akagi
Executive Officer

Noriyuki Uematsu
Executive Officer

Atsushi Komatsu
Executive Officer

Takehiko Senda
Executive Officer

Toshinori Sugimoto
Executive Officer

Satoshi Takizawa
Executive Officer

Izumi Sawamoto
Executive Officer

Akira Kubota
Executive Officer

Masahiko Naito
Executive Officer

Shinji Kiren
Executive Officer

Minoru Takezawa
Executive Officer

Yasunori Terai
Executive Officer

Hiroaki Ibumi
Executive Officer

Sadao Tanaka
Executive Officer

Yuji Mesaki
Executive Officer

Yoichi Sudo
Executive Officer

Compliance

We strive to improve compliance by promoting strict adherence to the SECOM Group Code of Employee Conduct.

Basic philosophy

We provide security services, the objective of which is to protect the lives and assets of our customers from legal violations or malfeasance by third parties. As such, we recognize that it is essential that we conduct our duties in good faith and in a manner deserving of the trust of our customers and society. A key feature of the security services business is that the employees who provide services are in a position of regulating others. Because they are in this position of regulating others, employees must also conduct themselves in a disciplined manner, discharging their duties in good faith and in compliance with the letter and the spirit of the law, to earn the trust of customers, which is critical to the security services business. Since our establishment, we have viewed compliance as a matter of utmost importance. Accordingly, our basic policy has always been to promote

systematic measures to ensure all employees' unqualified compliance with the letter and spirit of the law. This has earned us the trust of a wide range of customers and supported steady growth.

The SECOM Group Code of Employee Conduct prescribes specific standards for employee behavior and ethical principles that must be observed by all executives and employees in their relationships with stakeholders, including communities, customers, and business partners. The code, which is also published in the form of a pocket-sized guide, thus serves as a universal and timeless template for everyone in the SECOM family. Standards govern, among others, deterring relations with antisocial elements, prohibiting of corruption and bribery, and complying with related laws.

System for promotion and administration

We recognize compliance as not only the observance of laws and regulations, and of SECOM's Articles of Incorporation, but also the foundation of the stringent management of our day-to-day operations. Individual employees are responsible for promoting adherence to the SECOM Group Code of Employee Conduct. Managers are charged with providing guidance regarding the SECOM Group Code of Employee Conduct, including standards governing compliance, and supervising the actions of employees to ensure compliance. Executive officers are responsible for overseeing the departments they supervise, while the President and Representative Director provides control for the Company as a whole.

Once annually, executive officers analyze and evaluate business and malfeasance risks in the business for which they are responsible and report their findings to the President and Representative Director and the members of the Audit & Supervisory Board, as well as review established internal rules and various manuals and make revisions as necessary.

The duties of the internal audit departments, i.e., the Internal Audit and Compliance Department and the Group Governance Department, include inspecting each group, department, and subsidiary, providing guidance on addressing matters requiring corrective action, and reporting inspection results to the President and Representative Director, as well as to relevant executive officers.

SECOM AI Ethics Charter

With the rapid proliferation of AI-based services and mechanisms, it is important for companies to commit themselves to the ethical and proper use of these technologies. We have formulated the SECOM AI Ethics Charter to establish guidelines for the use of AI. In accordance with this charter, we continue to develop and extend advanced services that customers can use with peace of mind.

Whistle-blowing system

The SECOM Group Code of Employee Conduct requires employees to report to their superior should they discover that an employee, executive, or individual affiliated with a subcontractor has engaged in or appears likely to engage in an action that violates the code or could damage the credibility of the Company. In the event that no corrective measures are taken after a report has been made, or if circumstances make reporting to a supervisor difficult, employees may report directly to the Internal Audit and Compliance Department via the Hot Helpline, to a lawyer via the Hot Helpline’s external help desk, or to the Human Resources Department and Internal Audit and Compliance Department via the Harassment Help Desk. Executives and employees of subsidiaries may report violations via the Group Head Office Helpline directly to the Group Governance Department.

Whistle-blower’s names and the content of whistle-blower reports are kept confidential. As long as a report has been made in good faith, whistle-blowers are protected from any adverse impacts even if the report is not borne out by the subsequent investigation. Pertinent executive officers are obliged to swiftly assess the results of investigations and take appropriate corrective measures to resolve the situation. At the direction of said executive officers, whistle-blowers are notified confidentially of the nature and outcome of investigations.

Whistle-Blower Reports Received

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Number of reports	92	153	171

Note: Numbers represent the actual number of reports received across the SECOM Group.

Organizational Culture Committee

The Organizational Culture Committee is a standing committee chaired by the President and Representative Director that meets periodically or as necessary at the direction of the President and Representative Director and examines important organizational culture-related issues and determines important official commendations and punishments.

The Organizational Culture Committee also deliberates on matters related to compliance with and the administration of the SECOM Group Code of Employee Conduct that have

been reported to the President and Representative Director by the Internal Audit and Compliance Department or the executive officer in charge. If necessary, the committee examines proposals for modifying the system for administering compliance or amending the SECOM Group Code of Employee Conduct. All such proposals must be deliberated by the Organizational Culture Committee, reviewed by Audit & Supervisory Board members and approved by the Board of Directors.

Global compliance training

We have translated SECOM’s Philosophy and the SECOM Group Code of Employee Conduct, which outlines the basic concept and specific standards for employee behavior, into multiple different languages and work to advance awareness

across the global SECOM Group. We also provide training to the senior management of overseas Group companies on key aspects of compliance, including observance of laws and regulations, the prevention of bribery, and internal controls.

Information security

The establishment of the SECOM Group Information Security Basic Policy and the creation and operation of a robust information security system enable us to provide services that can be used with peace of mind.

Policy and system for promoting information security

With the rapid spread of IT, information security risks have risen significantly, as can be seen from the increasing sophistication of cyber attacks. Any leaks of personal or confidential information entrusted to us by a customer have the potential to seriously hinder our ability to provide security services, damage or adversely impact the customer, and result in the forfeiture of our brand image and reputation for reliability. Accordingly, we have created and maintain a robust information security system.

We have also established the SECOM Group Information Security Basic Policy to guide our efforts to strengthen our

information security. When we outsource work, we enter into appropriate contracts and provide guidance and supervision to subcontractors. We have put an executive officer in charge of information security for the Group as a whole. In addition, executive officers in charge of each business have been made responsible for information security-related matters for their particular business, as well as for collaborating with the executive officer in charge of information security to report on issues and presenting proposals to the President and Representative Director.

Reducing information security risk

We have implemented powerful security measures to reduce risks associated with information leaks and cyber attacks. We also work to ensure that all employees of the SECOM Group, regardless of employment format, comply fully with our information security rules, which include rules governing the use of personal computers and cellular telephones that must be protected for confidentiality reasons, the storage and carrying of information, and steps to be taken when an information security-related incident arises, or a violation of any other information security rule is discovered. Information

system controls and audits are the responsibility of the department in charge of information security and are conducted in accordance with Japan’s Information Security Management System (ISMS) standards under the guidance of the executive officer in charge of information security. As well as conducting regular assessments of vulnerability to external cyber attack risks, we monitor information systems around the clock to ensure we are prepared to respond to risks, including those related to large-scale disasters and cyber attacks.

Protecting personal information

The SECOM Group Code of Employee Conduct states that all information obtained in the course of business is confidential and must not be leaked, a stipulation with which all executives and employees must strictly comply. We strive to prevent leakage, loss, and damage through employee training and efforts to promote awareness regarding the treatment of personal information, as well as by ensuring stringent management.

All employees are required to participate in e-learning programs and tests annually to confirm understanding of and adherence to basic procedures and rules. The internal audit departments conduct periodic inspections of the handling of personal information, data management, and access control at each SECOM Group site. In addition, we have established a contact point for queries regarding the handling of personal

information and for complaints and consultations regarding our system for managing and protecting personal information, facilitating quick and appropriate responses. SECOM and Secom Trust Systems, among others, have earned certification under Japan’s Privacy Mark, which is granted to organizations that take appropriate measures to protect personal information.

Thorough information security (Year ended March 31, 2024)

- Annual e-learning and testing to confirm understanding and adherence (participation: 100% of employees)
- Voluntary audits (implementation: 100% of sites)
- No leaks of information

*Scope of reporting: SECOM CO., LTD.





Environmental management

In line with the SECOM Group Environmental Policy, we advance a variety of environmental conservation initiatives, evaluating and managing the progress thereof against key environmental performance indicators.

In October 2022, we formulated the SECOM Group Environmental Policy, substantially revising our existing environmental policy, and clarified our basic stance of contributing to the resolution of global environmental issues through our business activities. We are also promoting

dissemination initiatives in-house to heighten employees' awareness of both our new policy and our environmental conservation initiatives. We evaluate and manage the progress of these initiatives against seven major environmental performance indicators.

Environmental performance indicators

1. Greenhouse gas emissions (Scopes 1 and 2)
2. Greenhouse gas emissions across the supply chain (Scope 3)
3. Reduction of greenhouse gas emissions as against base year
4. CO₂ emissions per unit of production (emissions intensity)
5. Electricity used and percentage thereof accounted for by that generated using renewable energy
6. Consumption of fuel by vehicles and percentage of vehicles replaced by electric models
7. Resources with market value/recycled resources and industrial waste

Scope 1: Direct emissions (including those from the combustion of gasoline by vehicles, use of diesel and use of kerosene)

Scope 2: Indirect emissions (including those from the consumption of purchased electric power, cold and hot water, and steam)

Scope 3: Other indirect emissions (those not covered in Scope 1 or 2, from the activities of other companies up and down the supply chain)

Addressing climate change

Recognizing the risks posed to our operations by climate change, we are actively working to achieve carbon neutrality by 2045.

Initiatives to fight climate change

The Risk Committee, which is chaired by the director in charge of risk management and consists of the heads of major departments at SECOM headquarters, is charged with grasping Groupwide risks, including those related to climate change, as well as with considering countermeasures. Risks identified based on the findings of Groupwide surveys are assessed from multiple perspectives, including scope of impact, scale, estimated monetary cost of damage, urgency and frequency of occurrence, and countermeasures are formulated. Risk analysis and assessment results are reported to the President and Representative Director and matters of high importance are further reported to the Board of Directors.

Addressing climate change is a global challenge. At the same time, it is an issue that is crucial to our ability to ensure the stable and continuous provision of security, data center, medical and other services. This recognition prompted us to declare our support for the TCFD in 2019. We subsequently conducted an assessment in line with the TCFD's recommendations through which we identified the

following risks and opportunities related to climate change as having the potential to impact our business activities.

The Sustainability Promotion Office plays a central role in assessing climate change-related risks and opportunities and proposing responses. We continue to collect and examine a broad range of information on medium- to long-term risks and opportunities, including on climate trends and the outlook for carbon taxes and emissions regulations, from the SBTi, the RE100, the TCFD and other sources.

The SECOM Group Sustainability Meeting, which is attended by representatives of Group companies, is held as necessary to share information on climate change-related risks, policies for reducing greenhouse gas emissions and related issues, as well as to promote initiatives aimed at meeting our target of achieving carbon neutrality by 2045.

Note: For more information on SECOM's climate change-related medium- and long-term targets, KGIs and KPIs, please see pages 18–19.



Principal Climate Change–Related Risks and Opportunities

	Key challenges	Potential financial impact
Physical risks	False readings by security equipment due to rising temperatures	High
	Suspension of operations due to heatstroke/infectious diseases affecting security guards	
	Flood damage to sites caused by rising sea levels	
	Delays in the procurement of security equipment due to damage suffered by suppliers	
Transition risks	Tightening of regulations through the imposition of carbon taxes, etc.	Moderate
	Obligation to adopt energy from renewable sources	
Opportunities	Increased demand for BCP services	High
	Increased demand for safety confirmation services	
	Increased demand for monitoring services	
	Increased demand for fire insurance	
	Increased demand for green data centers	

SECOM commences use of electricity generated using renewable power via virtual PPA

We recently concluded a virtual PPA with a major general trading company. A virtual PPA is a scheme between a renewable energy project owner and a buyer for selling the environmental value of renewable energy.

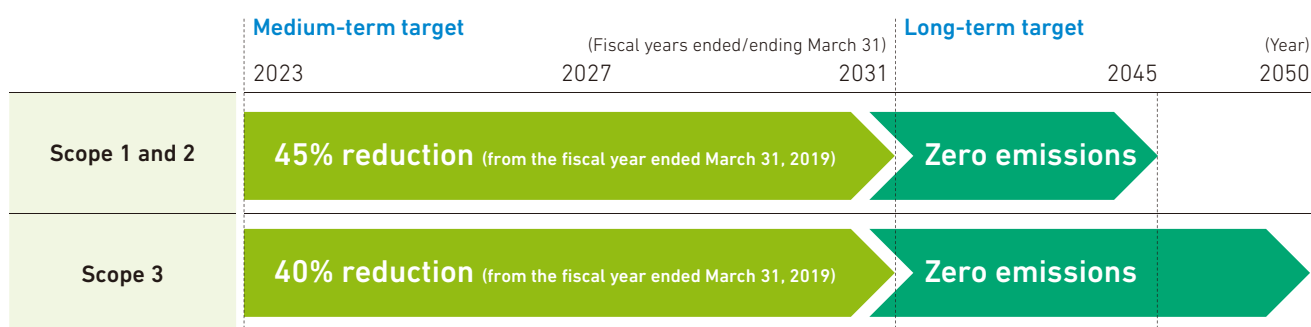
In March 2024, we became the first company in the security services industry in Japan* to use a virtual PPA to achieve the target of RE100, that is, 100% electricity generated using renewable energy. Capitalizing on a newly built solar power generating facility, we will expand our stable use of renewable energy over the long term, as well as reduce our CO₂ emissions and increase the renewable energy capacity of the grid.

* Based on SECOM research



Exclusive SECOM solar power
generating facility

Medium- and Long-Term Targets for Reducing Greenhouse Gas Emissions



- These targets have been certified under the SBTi, an initiative that seeks to drive climate action in the private sector.
- We have also joined RE100, a global initiative, with the objective of transitioning fully to electricity generated using renewable energy for our operations by 2045.



SCIENCE
BASED
TARGETS

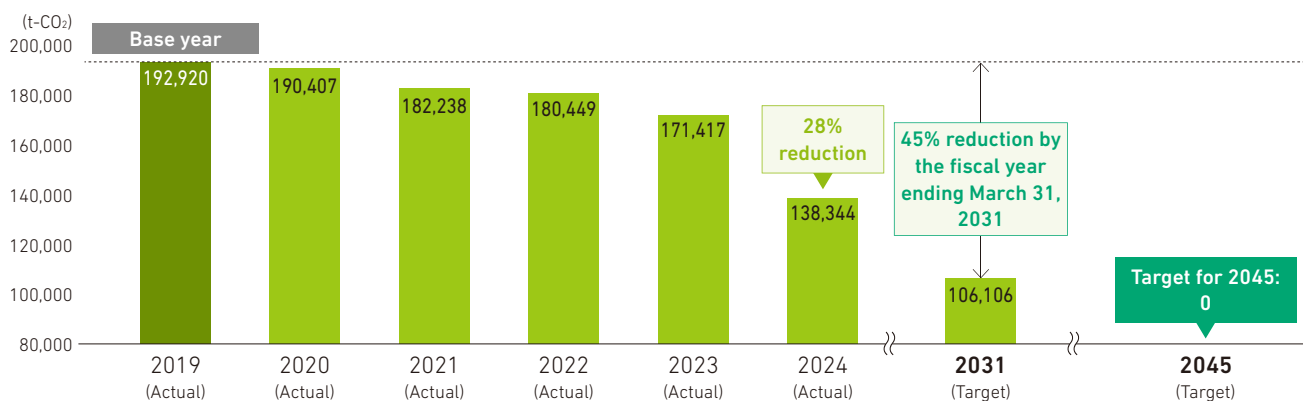
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

RE100

CLIMATE GROUP



Greenhouse Gas Emissions: Actual Results and Medium- to Long-term Targets



Note: The market-based method used to calculate emissions.

(Fiscal years ended/ending March 31, except for 2045)