

**We are committed to maximizing corporate value over the medium to long term by tirelessly taking on new challenges with the aim of continuing to achieve sustainable growth together with society.**



**Yasuyuki Yoshida**

President and Representative Director

### ➤ Consolidated operating results

In the fiscal year ended March 31, 2025, the Japanese economy showed signs of recovery, as corporate earnings and capital investment rallied amid improvements in employment and income. Nonetheless, a number of factors continue to warrant attention, including the effect of unrelenting consumer price increases on personal spending, as well as the impact of U.S. trade and other policies and of trends in financial and capital markets.

Against this backdrop, we pressed forward with efforts to realize our Social System Industry vision, which seeks to deliver safety and peace of mind, as well as to make life more comfortable and convenient. These focused on providing services and products that respond to ever-more diverse and advanced customer needs. We also actively implemented measures in line with the SECOM Group's Vision for 2030, devised to accelerate the Social System Industry vision's realization, and the SECOM Group Road Map 2027, which further clarifies the direction of these efforts.

Consolidated net sales and operating revenue for the period under review amounted to ¥1,311.1 billion, up 2.1%,

or ¥27.2 billion, from the previous fiscal year. This was despite a decrease in the insurance services segment, owing to a downward rebound from the significant gain on other-than-temporary impairment of investment securities reported in the preceding period, and reflected, among others, increases in the security services segment, underpinned by such factors as firm sales of and upward price revisions for on-line security systems and robust sales of merchandise, as well as in the fire protection services segment, thanks to firm orders, and the medical services business. Nonetheless, operating income declined 17.2%, or ¥26.6 billion, to ¥128.3 billion, with contributing factors including higher personnel expenses, attributable to increased investments in human resources, primarily in the security services segment, and a decrease in the insurance services segment, a consequence of the aforementioned downward rebound from the preceding period's significant gain on other-than-temporary impairment of investment securities. Net income attributable to SECOM CO., LTD., was down 19.7%, or ¥24.8 billion, to ¥101.1 billion. This was due to the operating income decline, as well as to decreases in segments other than insurance services as a result of the significant downward rebound in other-than-temporary impairment of investment securities.

### ➤ Assessment of current environment and key recent initiatives

Committed to fulfilling our mission of realizing a society free from concerns by assisting customers in ensuring safety and peace of mind, we have sought since SECOM's founding to provide value that exceeds the boundaries of security services through ongoing technological innovation and service reform. We believe that security should not be limited to the provision of services that protect against crime, but rather should extend to creating a business infrastructure that supports the operations of corporate customers and the extension of services and systems that deliver peace of mind in all aspects of daily life for individual customers.

Operating conditions in the security services business in Japan have evolved dramatically in recent years. Overall

crime rates, on a steady downtrend for approximately two decades, began to rise once again in 2022. This, together with reports of violent crimes in the news, has contributed to worsening perceptions of public safety. Such socioenvironmental changes are pushing up needs for safety and peace of mind among both corporations and individuals.

The security services industry has entered a period of transformation, owing to technological advances in such areas as artificial intelligence (AI), the Internet of Things (IoT), 5G communications and sensing. On-line security systems, in particular, benefit from these cutting-edge technologies, supporting our efforts to expand our service menu. The introduction of new subscription-based options for, and the addition of new performance features to on-line security systems are positioning us better to extend uniquely SECOM services that include the dispatch of emergency response personnel to the subscriber's site when needed, thereby expanding the value we provide to customers. We believe strongly that broadening our range of services will not only accelerate growth in new subscriptions, but also boost income from subscription fees by enabling us to propose new services to existing customers.

With the contraction of the working-age population expected to further exacerbate labor shortages in the security services industry, we are working to bolster the efficiency and precision of security patrols by leveraging digital transformation (DX), including by equipping static guards with wearable devices, deploying the cocobo autonomous security robot and advancing the use of AI cameras, and have established a dedicated department to spearhead DX in this area. We are confident that taking advantage of such technologies will allow for effective collaboration and integration, with AI and robots used to handle duties for which they are particularly suited, while security guards focus on more advanced tasks requiring human judgment and meticulous customer service, that will play a key role in realizing a new era of security services that deliver true value.

I am a firm believer in the idea that the prices of products and services should be commensurate with their quality. I also believe that guaranteeing excellent services and products provided by talented human resources at appropriate prices will enable us to absorb costs associated with investments to secure and foster human resources, among others, and, at the same time, to create new high-value-added services and products.

In light of surging labor costs and prices for energy and raw materials, we amended subscription fees for on-line

security systems for commercial customers in November 2024. This followed a subscription fee adjustment for on-line security systems for residential customers in August 2023. Thanks to Companywide efforts, led by a project team inaugurated to formulate an action plan for fee revisions, we were able to gain the understanding of almost all affected customers. We are grateful to all customers for their understanding and for their ongoing recognition of the value of our services.

➤ Initiatives under the SECOM Group Road Map 2027

The SECOM Group Road Map 2027 clarifies our direction through to the fiscal year ending March 31, 2028. This scheme sets forth five core strategies: Expand monitoring and security services, strengthen overseas operations, reinforce BPO and ICT services, improve productivity and reward stakeholders.

Initiatives to expand monitoring and security services were successful in developing new products and increasingly advanced services. April 2024 brought the launch of SECOM VMS, a video management system (VMS) that facilitates the centralized management of surveillance cameras of various makes with different specifications. In June 2024, we released the SECOM AI Behavior Detection System, which uses AI to detect hazardous behavior and if necessary notifies the user, and SECOM AI Camera, which boasts a built-in AI function that analyzes images and issues notifications. In March 2025, our cocobo autonomous security robot became the first security robot in Japan to earn certification for use on public roads and in open public spaces, including at night. As a result, cocobo is currently patrolling routes at subscribers' sites that include public roads and open public spaces, and we expect the robot to find expanded applications in the future.

For residential customers, we have focused on responding to the needs of family members living apart for services that allow them to remotely monitor elderly parents, and of seniors for services that reduce worries associated with living alone—both of which continue to rise as a consequence of Japan's declining birthrate and aging populations—by expanding our *Mimamori* Cloud service. With this service, daily behavioral data and information on any detected abnormalities from sensors and devices are managed and linked in the cloud, helping realize seamless monitoring. We are also developing a range of offerings that can be linked with the user's devices that deliver peace of mind and ease of operation. These include the YORiSOS and

SECOM Cantabile dedicated Apple Watch apps. In April 2024, we opened the SecuriCare Center, which capitalizes on the operational configuration and digital infrastructure we have built in our security services business to provide uniquely SECOM healthcare services. The following month, we introduced SECOM *Anshin* Glass SG, a security glass made with a tough interlayer between sheets of glass, about which we have received many inquiries spurred by growing concern about robberies. In April 2025, a new controller with a facial recognition function was added to the SECOM Home Security NEO lineup, improving both convenience and security.

We are taking various steps to strengthen overseas operations. In Thailand, which has a well-established on-line security system infrastructure, demand for security services is expected to expand further, in tandem with economic development. We continue working to expand our local security systems lineup of products and services tailored to market needs in terms of both price and performance, as well as to reinforce our advertising and publicity efforts. Cloud-based interactive security systems have been particularly well received. We look forward to extending the provision of such services to other countries in Southeast Asia.

In North America, our focus is on acquiring technologies and know-how through investment in promising businesses. In the fiscal year ended March 31, 2024, we began investing in cloud-based security systems companies Eagle Eye Networks, Inc., and Brivo, Inc.—both of which boast outstanding competitiveness in the extension of cloud-based surveillance camera and access control systems—to gain access to the cutting-edge technologies and local market-leading service models of these two companies, thereby strengthening our foundation for future global business growth. In July 2025, we reached an agreement to acquire AVTEL Holdings (Pte) Ltd., a global security systems integrator, which will become a wholly owned subsidiary. We will continue to capitalize on AVTEL's principal offerings, which are used around the world and include access control systems and surveillance camera systems, to accelerate the growth of our overseas security services business and to expand the provision of services to the Japanese offices of global companies.

In the medical services business, Sakra World Hospital, which opened in Bengaluru, India, in 2014, continues to operate as that country's first "Japanese-style" general hospital. With expectations high for the expansion of the local healthcare infrastructure, we began construction of a second hospital, also in Bengaluru, which is scheduled to open in 2028. Through the operation of these hospitals and other

efforts, we expect to continue contributing to the provision of high-grade medical care in this rapidly growing economy.

In the area of BPO and ICT services, efforts center on reinforcing our infrastructure in response to expanding demand for data center services. These included the July 2024 opening of Chuo Center #3 (CC3) by subsidiary At Tokyo Corp., a data center operator. In October 2025, subsidiary Secom Trust Systems Co., Ltd., is scheduled to open a new data center facility adjacent to its existing Secure Data Center. In addition, subsidiary TMJ, Inc., a BPO services provider, began offering the TMJ Generative Solution, which leverages generative AI to transform traditional contact centers into hybrid contact centers that capitalize on both human expertise and digital technologies.

Initiatives to improve productivity include continuously upgrading systems and revising business processes. We are actively promoting the use of generative AI to improve business efficiency, an effort that is being led by a project established to encourage the deployment of generative AI in February 2024. Guided by our business process revision project, which commenced in May 2025, we continued with preparations in advance of the revamping of in-house office systems, aimed at ensuring individual departments are able to transition smoothly to new processes and methods.

To reward stakeholders, we continued to prioritize securing and reinforcing our human resources strategy, in line with our belief that our ability to provide high-grade services that enjoy the support of customers is attributable to the superb skills of our employees. In the fiscal year ended March 31, 2025, we implemented a base salary increase, which averaged 6.3%. For security services employees, who are dispatched to customers' premises on a daily basis to ensure peace of mind, this increase was between 8% and 11%. In the fiscal year ending March 31, 2026, we have implemented an average annual base salary increase of 4.3% and taken steps such as raising managerial allowances to enhance the attractiveness of promotion and motivate those seeking positions of responsibility. These moves reflect not only the need to ensure competitiveness amid intensifying labor shortages, but also our desire to reward individual employees appropriately for the value they create and to ensure SECOM remains a company that enables people to demonstrate their full potential and where they want to remain for the long term. Safety and peace of mind are, at the same time, both intangible and priceless, and people who help provide safety and peace of mind must be given appropriate recompense. In the fiscal year ended March 31, 2025, we granted shares of common stock as restricted stock compensation to employees for the second consecutive year

to support future asset formation and to enhance employee engagement. In April 2024, we also introduced an incentive system as part of our employee stock ownership plan.

In addition, we implemented measures to strengthen the competitiveness of our recruiting efforts. These included introducing programs that support student loan repayment and assist high-school graduates in obtaining a driver's license. In July 2024, we opened connect base akasaka, which allows new graduates thinking about applying to work at SECOM the opportunity to gain a deeper understanding of security services-related jobs. We have also revised systems that support work styles suited to the different stages of employees' lives, including extending the period of the system that allows employees with childcare responsibilities to shorten their working hours, and continue to encourage male employees to take childcare leave. We also promoted the creation of better work environments to bolster employee retention, including renovating service offices and bases, and reviewing job responsibilities to reduce workloads.

To enhance career opportunities for women, we are promoting the creation of systems and work environments that encourage female employees to approach their responsibilities with greater peace of mind. We are also expanding the implementation of measures to raise awareness of career management to encourage female employees to strive actively for career advancement. In October 2024, we announced our Health Management Declaration, which articulates our belief that the well-being of our employees is the foundation of our ability to provide safety and peace of mind to our customers.

These and other initiatives continue to underscore a steady improvement in employee engagement. In our most recent employee job satisfaction survey, conducted in the fiscal year ended March 31, 2025, scores were up for the first time in three years. Cognizant that improving retention of security services employees, who frequently work nights, is particularly critical to our ability to ensure stable service quality and consistent customer satisfaction, we will continue taking steps to address this challenge, taking into account both the findings of our employee job satisfaction surveys and feedback from the front lines.

In July 2024, we inaugurated our new Human Resources Strategy Promotion Project, of which I serve as leader. This project is working with the Human Resources Department to reconfigure SECOM's systems, evaluation formats, placement procedures and training methods. As part of this undertaking, we introduced an in-house staff recruitment scheme, primarily for positions requiring specialized skills,

with the objective of better leveraging the diverse abilities and aspirations of our employees. The first round of recruitment under this new scheme, for positions in the area of research in cutting-edge security technology, attracted a considerable number of applications from across Japan, underscoring a high level of employee motivation, as well as an eagerness to take advantage of opportunities for professional improvement. I also built my career at SECOM in both security services and other businesses. Looking ahead, we will explore the feasibility of expanding this in-house recruitment scheme to include transfers within the SECOM Group and reassignment to a different type of work, to create a framework that assists employees in planning fulfilling careers with the SECOM Group.

We recognize that realizing a stronger organization necessitates ensuring that everyone shares SECOM's Philosophy and fostering a sense of unity. To this end, late in 2024, we launched the *Futanowa* initiative. The first character in the initiative's name, "*futa*," features in a calligraphy work given to our founders and is used to describe someone who is positive and open-minded, and who doesn't sweat the little things. Since then, SECOM has cherished the spirit of *futa* and has consistently sought to work in a flexible, unrestricted manner to achieve its goals, overcoming the friction and conflict that can arise as an organization grows. The *Futanowa* initiative aims to foster a sense of unity and belonging by encouraging discussion and the exchange of ideas among employees across departments and positions. In the fiscal year ended March 31, 2025, 1,260 executives and employees of various ages and with diverse careers from 23 sites across Japan took part in *Futanowa* initiative-related dialogs that addressed a variety of topics. Dialog participants appeared to feel that discourse had narrowed the psychological distance between the front lines and SECOM headquarters. We look forward to continuing to organize such activities that will help foster an exceptional corporate culture.

➤ **Contributing to sustainability through our business activities and promoting ESG initiatives**

Since its founding, SECOM has sought to address social imperatives by providing services that contribute to safety and peace of mind. This is echoed in the SECOM Group Basic Sustainability Policy, which states, "We continue to provide innovative services and systems that address potential risks, thereby ensuring seamless, enduring peace of mind now and in the future." Today, we seek to contribute

to the resolution of global social imperatives through our business activities and to continue to grow together with society. Guided by the SECOM Group Road Map 2027, we will accelerate efforts to integrate management strategies and sustainability, positioning us to further strengthen related initiatives.

Environmental efforts center on our pledge to achieve carbon neutrality, that is, net zero emissions of Scope 1 and 2 greenhouse gases, by 2045. In March 2024, we became the first security services company in Japan to use electricity procured under a virtual corporate power purchase agreement (PPA). Subsidiary At Tokyo Corp. is implementing measures that are helping to curb greenhouse gas emissions across the SECOM Group, notably by using electricity generated from renewable sources almost exclusively at its data centers. We are also working to minimize the use of plastics used in both products and packaging, and of packaging materials used in logistics, to lower both environmental impact and costs. In 2024, we were awarded the highest "A List" rating in the climate change and water security programs administered by the CDP, a global nonprofit that operates an international environmental disclosure system. This was the third consecutive year we earned this rating for climate change and the first time we were so honored for water security. We were also selected for the CDP's supplier engagement leaderboard, which recognizes companies for particularly outstanding efforts, for the fifth consecutive year.

Regarding efforts to improve governance, as a company with an audit & supervisory board, we have adopted a Board of Directors configuration that emphasizes a balance between execution and oversight. Candidates for the position of director are nominated based on skills deemed necessary given our operations and corporate vision. Based on the resolutions of the Ordinary General Meeting of Shareholders held in June 2025, we currently have six inside and four outside directors. We will continue working to ensure that our directors have the expertise and skills appropriate to ensure achievement of the targets of the SECOM Group's Vision for 2030 and the SECOM Group Road Map 2027.

Effective from the fiscal year ended March 31, 2025, the relative proportion of fixed monthly salary, bonuses, and share-based remuneration for inside directors has been revised from approximately 80:15:5 to 65:15:20, lifting the proportion of total remuneration accounted for by stock compensation. In addition, the performance-linked component of bonuses for these directors is made with comprehensive consideration given to the degree of achievement of targets for consolidated operating profit,

earnings per share and employee engagement (employee satisfaction). We will continue to review compensation paid to directors, and the indicators used in the calculation thereof, to ensure the appropriate evaluation of performances that contribute to the improvement of corporate value.

➤ **Capital policy and returns to shareholders**

We continue to pursue a capital policy that focuses on a balance between investing in growth with the goal of increasing corporate value and providing returns to shareholders. Investments in growth with the potential to bolster corporate value are diverse and include those in human resources, which is a priority, and in the security services business, currently in a period of transformation, as well as investments in the improvement of productivity and in areas crucial to future growth. We estimate our cost of shareholders' equity at approximately 5%–7% and promote capital-efficient management, maintaining an awareness of this level, while also promoting investments in growth.

We continue working to optimize our business portfolio and review the composition of the SECOM Group as appropriate. This includes comprehensively evaluating each Group business, giving consideration not only to profitability and capital efficiency, but also to growth potential and synergies with other businesses, in making any decisions regarding the appropriate allocation of management resources. In the fiscal year ended March 31, 2025, we partnered with a subsidiary of a major general trading company to acquire all of the remaining issued shares of subsidiary Pasco Corporation, a provider of geospatial information services, through a joint tender offer, as a result of which, Pasco was delisted in January 2025. This was a strategic decision that will position the Group to make more flexible use of Pasco's advanced technological capabilities and market potential. The company's satellite data analysis and 3D mapping technologies for urban infrastructure, in particular, will be essential to disaster prevention, infrastructure management and smart city development in the future. Leveraging our partnership with the general trading company will enable us to better offer these Pasco services to the private sector, aiming to transform them into new revenue drivers. Going forward, we will continue to focus on ensuring an optimized business portfolio.

The SECOM Group Road Map 2027 sets a target for consolidated operating profit in the fiscal year ending March 31, 2028, of between ¥160.0 billion and ¥180.0 billion, to be attained through higher gains attributable to organic growth facilitated by the optimization of our business portfolio, as



well as through returns on investments in growth. Our policy for returns to shareholders, based on the fundamental objective of ensuring stable dividends, seeks to achieve a dividend payout ratio of around 45% while also facilitating flexibility and agility in conducting share buybacks, taking into account factors such as investments in growth, cash position and market conditions. We have conducted three share buybacks for approximately ¥85 billion with buyback periods between February 2022 and December 2023, ¥30 billion with a buyback period of May to July 2024, and ¥60 billion with a buyback period of May to December 2025. We will also continue to aim for an ROE of 10%, which we will achieve by maximizing profits and optimizing our equity capital.

We also continue to maintain a high credit rating and will remain open to other financing options, including bank borrowing and bond issues, as necessary to optimize our capital structure and improve capital efficiency. To reduce the cost of capital, we will take steps to, among others, enhance information disclosure and make use of outside capital.

To encourage a broad range of investors to acquire and hold shares in SECOM over the long term, we implemented a 2 for 1 stock split with an effective date of October 1, 2024. Annual cash dividends—the record dates for which fell in the fiscal year ended March 31, 2025—were ¥97.50 per share, an increase of ¥2.50 from the previous fiscal year after adjustment to reflect the impact of the aforementioned stock split.

Recognizing our share price as a report card from the market to SECOM's management, we pledge to continue working to improve total returns to shareholders while also maintaining a positive approach to dialog with investors.

➤ Maximizing corporate value

In the just over one year since I was entrusted with the position of president and representative director, I have sought to be consistently mindful of the twin forces of reform and tradition propelling SECOM forward in the course of fulfilling my daily responsibilities. As ever, we are resolute in our determination to fulfill our mission, unchanged since our founding more than 60 years ago, of realizing a society free from concerns. This history and the relationships of trust we have built with customers are truly intangible assets and remain the unshakeable underpinnings of everything we do.

To reward the efforts of our employees, who will be responsible for building new relationships in the years

ahead, we will continue to invest in our human resources, as well as in efforts to reinforce our operating foundation and enhance our competitiveness. Securing and fostering outstanding employees is critical to our ability to enhance service quality and productivity and distinguishing us from our competitors. Accordingly, it is important that earnest individuals who feel they have a mission to be of use to society are enthusiastic about their work, able to achieve self-actualization and feel sufficiently compensated economically through consistent salary increases that are commensurate with their performance. Creating environments that ensure each and every employee feels fulfilled professionally is and will continue to be the driving force behind SECOM's growth.

At the same time, I am also dedicated to improving profit margins. I am particularly intent on raising the operating margin in the security services business. To boost profit margins and at the same time ensure the resources needed to invest in the human resources necessary for future growth, we must provide services and products that are fairly priced, deliver high value-added and bolster productivity. We will press ahead with various steps to enhance our operating efficiency. When necessary, we will also explore subscription fee revisions that appropriately reflect social circumstances and our own investments in human resources. We will also actively introduce advanced technologies, including through open innovation, to expedite the introduction of new value-added services that will boost subscription volumes and individual subscription fees. We will also upgrade work procedures and efficiency through the deployment of IT systems and the use of AI and other cutting-edge technologies. Combining such technologies together with our competitive advantages, including our around-the-clock emergency response capabilities, will enable us to create uniquely SECOM value that contributes to society.

We are committed to maximizing SECOM's corporate value over the medium to long term and to fulfilling our responsibilities to our shareholders, investors and other stakeholders. We are confident that by tirelessly taking on new challenges, we will continue achieving sustainable growth together with society. I hope you will continue to expect great things from SECOM, and I look forward to your ongoing support and guidance of our endeavors.

September 1, 2025

Yasuyuki Yoshida  
President and Representative Director

Brand Ambassadors and Social Contribution Initiatives

Shohei Ohtani is appointed brand ambassador

In March 2025, we welcomed pro baseball player Shohei Ohtani, who currently plays in the United States, as our new brand ambassador. In conjunction with this appointment, we produced and began airing a new nationwide television advertisement featuring the dream collaboration of Ohtani and Japanese baseball hero Shigeo Nagashima, who at that point had served as SECOM brand ambassador for 35 years, to great public acclaim.

The advertisement used computer graphics to recreate a young Nagashima during his playing days. Ohtani stands on the pitcher's mound opposite Nagashima, who faces him in the batter's box. Ohtani and Nagashima also teamed up for the voiceover for the iconic phrase, "Do you have a SECOM?" The advertisement's catchphrase—"Creating peace of mind. Supporting challenges."—encapsulates our commitment to providing peace of mind to people who continue to take on new challenges every day.

Responding to social imperatives: The Going All Out to Protect Homes Project

In August 2025, we launched a new initiative aimed at improving individual crime prevention capabilities in Japan dubbed the "Going All Out to Protect Homes Project." In recent years, concerns have grown against a backdrop of increasing criminal activity committed by anonymous and transient criminal groups. We currently conduct a variety of awareness-raising

activities, including safety classes for children and self-defense seminars for women. Under this project, we will introduce crime prevention awareness activities aimed at protecting homes that leverage digital technologies, further reinforcing our efforts to ensure safety and peace of mind in all aspects of daily life.

In memoriam: Shigeo Nagashima

Baseball legend Shigeo Nagashima, who served for many years as SECOM's brand ambassador, passed away in June 2025. We are forever grateful for his contribution in this role and will remember him with

fondness and immeasurable respect. With the consent of his family and production company, we will continue to use his image in our advertisements.

