A Message to Stakeholders

We continue to anticipate evolving social imperatives and to provide a higher level of safety and peace of mind. By advancing our fusion of people and technologies, we will ensure the achievement of sustainable growth and greater corporate value.

Yasuyuki Yoshida
President and Representative Director

With our unwavering mission and ability to constantly evolve, we will remain a company that is essential to society

Since joining SECOM in 1980, I have recognized the critical role we play in society and that we must continue to play in the future. Our corporate philosophy, including SECOM's Philosophy, has been passed down through generations of employees since SECOM's founding and underpins all my management decisions.

In striving to help realize a society free from concerns, our pursuit of safety and peace of mind will never end. As times change, such concerns take on increasingly diverse forms. Technological advances are also giving rise to new risks. What threatens safety and peace of mind? What needs to be modified and what must we preserve? We need to be persistent in asking ourselves such questions and taking action when warranted. While our mission is unchanged, we must be bold in adapting our strategies for ensuring its achievement. This is how I view the twin forces of tradition and reform propelling SECOM forward.

Six decades ago, SECOM developed Japan's first on-line security system. Since then, the Company has sought tirelessly to advance the fusion of people and technologies. In recent years, innovations in such areas as AI, robots, drones and cloud computing have driven the enhancement of security services by facilitating the collection and analysis of more detailed images and diverse data. Nonetheless, the value of peace of mind that depends on human skills—including the ability to rush to the site of an incident, assess the situation and take necessary actions—is unparalleled. It is this combination of technologies, which enhance human capabilities, and human judgment and responsiveness, that delivers true peace of mind, that is the true source of SECOM's competitiveness.

For a company to remain essential to society, it must achieve consistent improvements in profitability, thereby creating a solid operating foundation that allows for ongoing investments in the future. With this in mind, we will continue working to bolster our profitability by developing high-value-added services, improving productivity and extending services at prices commensurate with their quality. Profits generated will be allocated to investments in human resources and technologies, reinforcing our operating foundation and providing returns to shareholders. Realizing such a virtuous cycle will allow us to balance our responsibility to society with our duty to enhance corporate value.

The security services operating environment

According to Japan's National Police Agency, the number of criminal offenses reported across the country exceeded the previous year's total every year from 2021 through 2024 and in 2025 expanded by nearly 5% year-on-year, reaching approximately 770,000. We conduct an annual online survey of people's worries and concerns. In our June 2026 survey, 90% of respondents expressed concerns about the future deterioration of public safety, the highest percentage since the survey began in 2012. Against a backdrop of increasingly disparate crimes and worsening perceptions of public safety, together with factors such as the risk of business disruptions due to cyber attacks, labor shortages and the growing number of households consisting solely of seniors, the need for safety and peace of mind are rising among both corporations and individuals.

The market for security services is characterized by stable demand from commercial customers, driven by BCP-related considerations, including the need to prevent information leaks and ensure the safety of employees and facility users. Against a backdrop of labor shortages, expectations are also increasing for new added value provided by security systems that leverage cloud computing and AI. In the area of home security services, demand continues to be underpinned by mounting concerns about waning public safety, owing partially to news reports of robberies committed by individuals recruited for what are often referred to as black-market part-time jobs, as well as growing demand for services that facilitate the unobtrusive monitoring of elderly parents on the part of their children. We have a significant role to play in addressing such social imperatives and will continue pursuing a variety of related initiatives.

In August 2023, we adjusted prices for on-line security systems for residential customers, while in November 2024 we did the same for on-line security systems for commercial customers. In both cases, we were able to gain the understanding of almost all affected customers, underscoring broad appreciation of the value of the safety and peace of mind SECOM delivers. We will consider further revising prices for services to ensure they appropriately reflect the value of the services we provide, as well as escalating labor and other costs. We are also promoting efforts to improve productivity, including using AI-powered image monitoring to streamline emergency response services and revamping business processes and internal IT systems under the business process revision project, launched in May 2025. These efforts are beginning to yield positive results.

I see improving the profitability of our security services business as a priority management task. To this end, we will expand attendance management, payroll and other value-added functions that can be used in conjunction with our on-line security systems to bolster profitability, take steps to boost productivity and implement additional appropriate price adjustments. In light of continued increases in consumer prices, effective from September 2026 we raised prices for SECOM Home Security by 8%. We will continue to pay close attention to price trends with the aim of extending high-grade services that provide safety and peace of mind at suitable prices.

SECOM Group Road Map 2027: Progress and future challenges

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. Evaluating our progress necessitates technologies or concepts having moved beyond the proof-of-concept stage and transitioned into actual services and businesses, contributing to revenue growth, as well as to the resolution of social imperatives.

In the area of monitoring and security services, in March 2025 our cocobo autonomous security robot became the first such robot in Japan to earn certification for use on public roads, including at night. As a result, cocobo is currently patrolling routes at commercial complexes and office buildings. From April through October 2025, we contributed to the safe and secure staging of Expo 2025 Osaka, Kansai, Japan , providing a sitewide centrally managed system of approximately 2,000 surveillance cameras, as well as location information and access control for security guards, cocobo autonomous security robots and automated external defibrillators (AEDs). In subsequent months, we launched a number of new offerings designed to help address evolving social imperatives, including services that help customers deal with customer harassment, a significant issue in Japan. In addition, together with a major telecommunications provider, we were commissioned to develop a remote security system for the Japan Ground Self-Defense Force (JGSDF). Seeking to accelerate our response to changing needs and technological advancements, we also actively took advantage of open innovation, an increasingly important collaborative approach to innovating that combines superior third-party technologies and expertise with our own R&D. SECOM security services are currently used by more than 2.78 million customers across Japan. Our vast customer base, around-the-clock operational infrastructure and accumulated expertise on the ground continue to attract potential partners and contribute to the launch of services that leverage diverse technologies. We work with a variety of excellent partners, from major corporations to startups, to realize new ways to deliver security.

To strengthen overseas operations, we are introducing security systems with features and pricing tailored to the needs of customers in overseas markets, particularly in Association of Southeast Asian Nations (ASEAN) member states, and are also stepping up advertising and promotional efforts to further penetrate local markets. We are seeing particularly positive results in Thailand. We have begun offering SECOM Eyes on Cloud, which utilizes the cloud-based video surveillance management platform of Brivo, Inc., a U.S. company in which we have invested. In Indonesia, we are seeing an increase in contracts for SECOM Smart Security on-line security systems, which deliver improved convenience. In October 2025, we acquired AVTEL Holdings (Pte) Ltd., a global security systems integrator, which became a wholly owned subsidiary. Going forward, we will further expand the business model we have established in Thailand to other markets, capitalizing on autonomous local growth, as well as our Groupwide technologies and customer base, and making use of M&As and collaboration to extend advanced services to commercial security services customers around the world. In our overseas medical services business, the general hospital that we have operated in India since 2014 continues to see steady growth. We are currently proceeding with plans to open a second hospital in the next few years.

Efforts to reinforce BPO and ICT services also proceeded. In October 2025, Secom Trust Systems Co., Ltd., opened the new Secure Data Center® TC4. At Tokyo established a new access point within this new data center, reinforcing its data infrastructure and robust connectivity. BPO services provider TMJ, Inc., is making use of generative AI to transform its contact centers into next-generation hybrid facilities that combine human expertise and digital technologies. The ability to integrate around-the-clock physical security, cyber security, data centers and BPO services is one of the SECOM Group's unique competitive advantages.

Ongoing efforts to improve productivity include revamping our administrative systems, modifying business processes and leveraging AI in our various operations. Rather than simply reducing costs, we seek to enable employees to focus on high-value-added tasks, thereby helping to improve service quality and profitability.

In line with our goal of rewarding stakeholders, we are actively investing in human resources. We have also expanded our procurement of energy from renewable sources and built a training facility that has earned certification under the nearly zero-energy building (ZEB) standard. Thanks to these and other initiatives, we have been recognized for two consecutive years as a "double A-list company," that is, earned an A list rating in both the climate change and water security assessments conducted by the CDP, a leading global nonprofit that assists various entities with environmental disclosure.

We have positioned the SECOM Group Road Map 2027 as an action plan for management that seeks to link growth, profitability and social value. In the Road Map's final year, we will continue to implement a variety of initiatives in line with its core strategies to ensure all objectives are achieved.

Providing "Proactive Peace of Mind": The SECOM Group's Vision for 2040

Approximately a decade has passed since the formulation of the SECOM Group's Vision for 2030. In this time, social imperatives have grown increasingly complex. Looking ahead, factors contributing to this trend are expected to become ever-more intertwined and interconnected. With the operating environment changing dramatically—a consequence of more diverse incidents and accidents, increasingly intense natural disasters, accelerated demand for labor-saving solutions, strains on administrative authorities and the need to coexist with AI—we believe that it will become increasingly important not only to address incidents once they have occurred but also to detect signs of impending issues. Against this backdrop, in May 2026 we announced the SECOM Group's Vision for 2040 with the aim of clarifying our long-term strategic direction.

Our new vision emphasizes the importance of providing value to customers by extending proactive services, that is, services that detect signs of impending issues before they occur, enabling us to deliver "Peace of Mind through Anticipation." As well as responding when issues arise, we will take preemptive steps to ensure peace of mind whenever and wherever necessary.

SECOM possesses vast know-how regarding incident causes, signs and response outcomes, as well as security operations data, accumulated through its many years in operation. These are unique assets that will form the foundation of future service enhancements. Technological advances in such areas as AI, sensors and cloud computing are creating an environment that will enable us to capitalize on the value of these data assets more than ever before and further give back to society. AI makes it possible to detect signs of impending issues that people alone might miss, while people bring the experience and expertise necessary to make appropriate decisions and choose the optimal course of action. This will help advance our fusion of people and technologies—a key strength—to the next level.

The status of the risks that we face cannot always be categorized simply as inactive or active. Even in daily life, risk status ebbs and flows incessantly. The integration of data and expertise obtained from the multiple points of contact with partners in industry, government and academia, and with customers, will facilitate the early recognition of risks, helping us to deliver peace of mind on a daily basis. The businesses that comprise our diverse portfolio, namely, our security services, fire protection services, medical services, insurance services, geospatial information services, and BPO and ICT services, work together to reinforce the *ANSHIN* Platform, a service infrastructure designed to ensure peace of mind for people in their everyday lives, as well as for society as a whole.

The driving force behind our efforts to achieve the SECOM Group's Vision for 2040 will be the ability of each and every SECOM Group employee to fully grasp the vision's significance and work proactively to incorporate this understanding in their own work. In formulating this vision, a team consisting primarily of younger employees contended with critical open-ended questions regarding what Japan and the world will be like and what role SECOM will play in 2040. In July 2026, this team began staging the Group Vision Summit, a forum to help employees deepen their understanding of the SECOM Group's Vision for 2040 and exchange views on the future of the SECOM Group, in locations across Japan. My responsibility as relates to these summits is to communicate the thinking behind this vision and encourage employees to take on new challenges to incorporate the vision into their everyday actions.

Balancing growth investments with shareholder returns and improvements in capital efficiency

At our financial results briefing in May 2026, we disclosed our approach to optimizing our business portfolio, together with our capital allocation strategy. This includes comprehensively evaluating each operating segment based on factors such as growth potential, investment efficiency, market growth potential, industry profitability and relative market share. We also recognize the need to assess each individual business in terms of synergies with other businesses and social significance to ensure our ability to develop services that provide safety and peace of mind and contribute to the realization of our Social System Industry vision. The Board of Directors regularly evaluates each business from these diverse perspectives and will continue to conduct reviews that factor in environmental changes and capital costs.

The SECOM Group Road Map 2027 sets a target for return on equity (ROE) of 10% in the fiscal year ending March 31, 2028. (All figures in the Road Map are calculated in accordance with Japanese GAAP.) To improve ROE, we must first grow our businesses and expand profits. We aim to maximize profit attributable to owners of parent by offering high-value-added services, improving productivity, revising prices, growing overseas operations and revitalizing our business foundation. To optimize our capital structure, we will examine necessary capital levels for each business, remaining mindful of the cost of capital.

Capital allocation will emphasize making investments in our business foundation that support the stability of existing businesses, as well as accelerating investments in growth—including in human resources, cutting-edge technologies and M&As—that will enhance corporate value over the medium to long term. We will secure funds appropriate for a company committed to delivering safety and peace of mind to ensure we are prepared for unforeseen circumstances, and will actively promote returns to shareholders. To enhance shareholder returns, we are also proceeding with the repurchase of up to ¥100 billion in treasury shares with a purchase period from May 2026 to February 2027. The SECOM Group Road Map 2027 also sets a target for the dividend payout ratio of around 45% in the fiscal year ending March 31, 2028. Our forecast for full-term dividends in the fiscal year ending March 31, 2027, is ¥120.00 per share. We are confident that the optimal combination of investments in growth and shareholder returns will yield sustainable improvements in corporate value.

Our decision to expand disclosure reflects our desire to more clearly communicate our management philosophy and policies for allocating capital, with actual disclosure items determined based on dialog with investors. The process of determining these items deepened internal discussions and has helped strengthen management discipline. Going forward, we will continue to explain the progress of initiatives and the reasoning behind decisions in detail, as well as to further improve the quality of our management through discourse with key markets.

Supporting sustainable growth: Strengthening human resources strategies and organizational capabilities

The quality of SECOM services depends on our people. Unless employees can work with peace of mind, pride and a sense of purpose, we will be unable to provide safety and peace of mind to customers. Rather than simply representing a cost, investments in human resources help realize a virtuous cycle of higher service quality, increased productivity, greater customer trust and enhanced corporate value.

To improve employee compensation, we have implemented annual base salary increases for five consecutive years. The average increase for the fiscal year ending March 31, 2027, is 5.1%. A particular emphasis was placed on raising salaries for retired individuals who were rehired and reviewing housing allowances in urban areas. We are also taking steps to improve work environments, including reducing the workloads of employees on the front lines, inaugurating a flextime system and assisting employees with childcare or nursing care responsibilities in maintaining a healthy work–life balance. Such initiatives have led to a reduction in overtime hours and an increase in the proper use of paid vacation time, as well as to a shift of certain responsibilities from security staff to sales representatives and control center staff, among others. We will continue striving to create work environments that enable talented individuals to achieve professional growth and remain for the long term.

We encourage employees to view the SECOM Group as an employer that encourages self-actualization. We continue to make use of an in-house staff recruitment system, introduced in the fiscal year ended March 31, 2025, which encourages motivated employees to forge careers in the IS Research Institute, as well as in areas related to international operations, finance and specific projects. We have also made improvements in control center work environments and training systems to attract female employees. Currently, approximately 60 women work at SECOM control centers across Japan. To alleviate financial concerns for younger employees, we have introduced a student loan repayment support system. Through these and other efforts, we are working to remain a company that enables diverse employees to fully exercise their capabilities and seek new challenges.

To assist employees' wealth building and promote value sharing with employees, we increased our employee shareholder association incentive rate from 5% to 10%. In March 2026, employee shareholders also received a special incentive equivalent to 10 shares of common stock. We have also introduced a restricted stock ownership plan for executive officers to align executive interests with shareholder value and encourage a greater sense of participation in management. In addition, we have revamped our employee engagement survey and are encouraging cross-organizational dialog among employees from diverse departments and with different jobs through in-house initiatives such as the new Group Vision Summit. By incorporating employee feedback into initiatives, we are working to create an organization that nurtures a positive cycle of employee wellbeing and corporate growth.

By offering services at fair prices and investing income earned to secure and foster human resources and realize new technologies, we bolster service quality and productivity. This, in turn, leads to greater growth and customer trust. This repeating chain of positive achievements will continue to support sustainable competitiveness into the future.

Supporting sustainable growth: Reinforcing governance and building a more robust management foundation

We work tirelessly to improve the effectiveness of our corporate governance, a crucial underpinning for ensuring ongoing improvements in corporate value. As a company with an Audit & Supervisory Board, we place importance on balancing both execution and supervision. Effective from our Ordinary General Meeting of Shareholders in June 2026, we have six inside and five outside directors, increasing the percentage of outside directors on the Board to 45%. We have also welcomed another female outside director, as a result of which three of the 11 Board members are now women. Our current Board of Directors structure is designed to guarantee the expertise and experience necessary to achieve the targets of SECOM's Vision for 2040 and the SECOM Group Road Map 2027 and to ensure a balance between execution and supervision.

Given the rising number of issues requiring Groupwide responses, including economic security risks, sophisticated cyberattacks, privacy and information management risks associated with advances in AI and other technologies, and increasing demand for companies to ensure respect for human rights and fair trade practices across supply chains, we have also taken steps to strengthen our risk management configuration. Moreover, we have appointed an executive responsible for digital affairs, who answers directly to the president, and are promoting integrated Groupwide cybersecurity and digital governance. We recognize the reinforcement of governance as important not only to our ability to respond appropriately to risks but also to the incorporation of diverse expertise into management and the improvement of the quality and speed of decision making.

Driving steady growth while remaining true to our unwavering mission

As a provider of systems essential to the social infrastructure, we have achieved steady growth by delivering stable, high-grade services. "Stable" is sometimes interpreted as resistant to change, but I see it rather as evocative of our ability to anticipate social shifts and make necessary changes while ensuring uninterrupted services and keeping the promises we have made to our customers. Looking ahead, we will strive to both maintain stability and evolve by bolstering profitability, leveraging technologies, investing in human resources and enhancing employee engagement, thereby improving capital efficiency and reinforcing governance to drive steady increases in corporate value over the medium to long term.

Each of the approximately 3.86 million security services contracts we have in Japan and around the world is a testament to the trust customers place in us to provide peace of mind. We understand the importance of this trust and will continue seeking to drive growth over the medium to long term to realize ever-better services while at the same time ensuring we are a place where our employees are happy to work. It is my firm belief that this is the key to responding effectively to the expectations of all stakeholders. It is also essential to ensure we continue to offer services that society needs.

The SECOM Group's Vision for 2040 was formulated to protect our existing competitive advantages, as well as to demonstrate our intention to move firmly toward the provision of proactive security. We remain true to our unwavering mission, but we will not hesitate to change what needs to be changed. Advancing our fusion of people and technologies will enable us to extend high-grade services that deliver safety and peace of mind in a manner that is in keeping with the times. I look forward to leading this critical transformation. Guided by this mission, which is to help achieve a society free from concerns, we are committed to growing together with society and earning the steadfast trust of customers. We look forward to stakeholders' ongoing support of our endeavors.

September 1, 2026

Yasuyuki Yoshida
President and Representative Director