ESG Initiatives

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. With labor shortages increasingly an issue in the domestic market, we have introduced a variety of systems to strengthen the competitiveness of our recruiting efforts. These include enhancing working conditions and introducing a variety of appealing programs, such as student loan repayment support and assistance for high-school graduates in obtaining a driver's license. 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.

We provide extensive training to foster human resources with high ethical standards and superior skills. In addition to training for all new employees, we are strengthening department- and job-specific curricula that reinforce practical capabilities in a manner that assists employees on the front lines to 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, and actively promote in-house staff recruitment. In the area of training for security guards, we have introduced virtual reality (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.

Average Hours Spent by Employees in Training

Fiscal year ended March 31, 2025	28.8 hours
Fiscal year ended March 31, 2026	**36.1 hours**

*Scope of reporting: SECOM CO., LTD.

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 is 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 and other technologies and taking other steps to encourage observance.

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.

Our ability to deliver enduring peace of mind in an ever-changing society depends on first ensuring the health and vitality of our employees. In our Health Management Declaration, released in October 2024, we commit to promoting the maintenance and improvement of employee health and the creation of positive work environments that encourage job satisfaction and pride in one's work. To enhance the visibility of our health and productivity management initiatives and ensure their effective promotion, we have introduced health and productivity management survey score as a KPI and are working to promote effective related initiatives.

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 related to the elimination of occupational and other accidents, 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, as well as 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

Participants in Training Aimed at Preventing Occupational Accidents

Fiscal year ended March 31, 2024	2,582
Fiscal year ended March 31, 2025	2,510
Fiscal year ended March 31, 2026	**2,498**

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

Introducing air-conditioned vests to protect security services staff against extreme heat

With the number of extremely hot days in Japan increasing every year, the country's Ordinance on Industrial Safety and Health was revised to make it mandatory for employers to take appropriate steps to prevent heatstroke in the workplace from June 2025. To avert heatstroke among security services staff, in the summer of 2025 we introduced air-conditioned workwear with small built-in fans. Of note, in collaboration with a clothing manufacturer we developed an air-conditioned vest that makes the wearer feel cool even when worn over uniforms and protective vests and is made with a special recycled polyester material that is both superbly functional and environment-friendly. Employees who have worn the vest have reacted positively, with comments focusing on improved comfort and reduced perspiration despite high temperatures.

Air-conditioned vest developed together with a clothing manufacturer

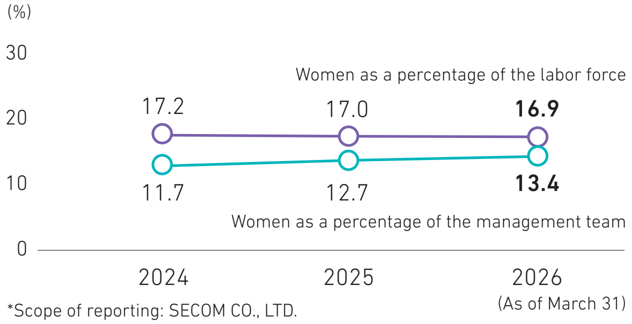
Diversity

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.

With the aim of creating a work environment where female employees can work confidently and with peace of mind, we have formulated an action plan for advancing career opportunities for women and are working to expand the range of jobs open to women and to nurture female leaders. Female employees have also been appointed to the position of security services office manager, previously not available to women. Additionally, in April 2026 we established the Inclusion Promotion Office within the Human Resources Department to promote the creation of work environments that enable all employees, including those with disabilities, to approach their jobs with enduring peace of mind.

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



*Scope of reporting: SECOM CO., LTD.

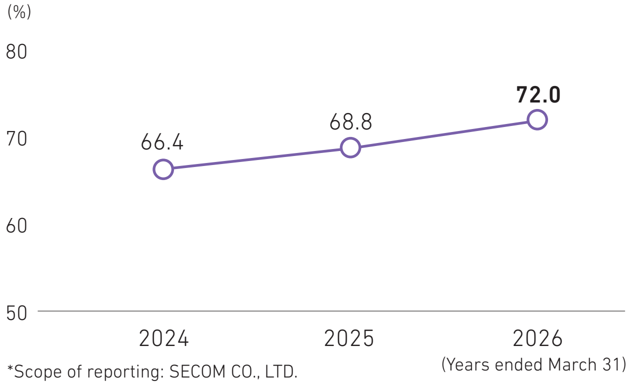
Work–life balance

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. We actively promote the use of annual paid vacation days, aiming to achieve a paid leave usage rate of 80% by 2030. In July 2025, we introduced an anniversary leave system that allows employees to take time off on days of significance to themselves or their families. In April 2026, we introduced a system that enables employees working day shifts to stagger their working hours. A range of vacation and leave programs have also been established to support employees in maintaining a healthy work–life balance.

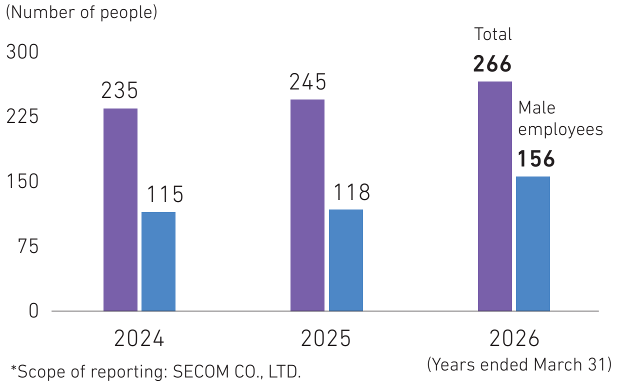
- **Flex vacation:** Enables employees to take 12 consecutive vacation days annually, in theory at any time during the year
- **Refresh vacation:** A two-week vacation available to employees every 10 years
- **Maternity leave:** Available for the six weeks prior to and eight weeks after giving birth; 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.
- **Change in working hours/exemption (shorter working hours) for childcare:** Facilitates flexible working styles by allowing employees who are pregnant or have children who have not yet entered the sixth 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 who wish 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 for reinstatement

Percentage of Annual Paid Vacation Days Taken by Employees



*Scope of reporting: SECOM CO., LTD.

Employees Taking Childcare Leave



*Scope of reporting: SECOM CO., LTD.

Employee engagement

Initiatives to boost employee job satisfaction—including raising base salaries for the fifth consecutive year and expanding incentives offered as part of our employee shareholder association, 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. In an effort to encourage ongoing active dialog with employees, we conduct an annual anonymous employee job satisfaction survey. In the fiscal year ended March 31, 2026, the content of the survey was revised significantly to emphasize not only satisfaction with SECOM as an employer but also individual job satisfaction and communication in the workplace. Survey findings inform efforts to design systems and formulate policies. With the aim of encouraging business growth and enhancing employee satisfaction, we also expanded incentives offered as part of our employee shareholder association and in March 2026 granted each member employee a special incentive payment equivalent to 10 shares of common stock.

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.

For the second consecutive year, we implemented, the *Futanowa* initiative, launched in the fiscal year ended March 31, 2025, which seeks to improve employee job satisfaction, motivation and engagement. To encourage the practical application of SECOM's Philosophy and the concept of "*futa*," meaning positivity and open-mindedness, and to foster a unique corporate culture that embodies SECOM's Philosophy, we also held employee–director dialogs and employee networking events at sites across Japan.

Leveraging the power of sports to energize SECOM and forge connections with local communities

Founded in 1985, the Kawagoe Sayama SECOM Rugguts rugby club, SECOM's corporate sports team, strives to leverage the power of sports to enhance brand value, foster a sense of solidarity among SECOM Group employees and cultivate human resources. Having competed in Division 3 of Japan Rugby League since 2024, the Rugguts earned a long-awaited promotion to Division 2 for the 2025/2026 season. Many SECOM Group employees support the club by attending matches held all over the country, creating opportunities for interaction that transcend departmental boundaries and encouraging esprit de corps. SECOM Rugguts conduct a variety of activities aimed at contributing to the local community, including holding tag rugby sessions for local children, participating in community events and taking part in local clean-up efforts.

Celebrating the team's long-awaited promotion to Division 2

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.

Initiatives to Strengthen Corporate Governance

	1986 / 2000 / 2010 / 2020 / 2026
Establishment of corporate governance system	1986: Creates SECOM's Philosophy 2006: Formulates basic rules of management for SECOM Group companies 2010: Establishes the SECOM Group Management Committee
Separation of management and execution	2004: Institutes an executive officer system
Number of directors designated in the Articles of Incorporation	Up to 2004: Maximum of 40 → From 2005: Maximum of 20 → From 2024: Maximum of 13
Term of service of directors	Up to 2003: 2 years → From 2004: 1 year
Number of directors	2000–2001: 28–29 2002–2003: 22–23 → From 2004: 9–13 → 2023: 7–8 → 2024: 11 → 2025: 10 → From 2026: 11
Number of Audit & Supervisory Board members	Up to 2010: 4 → From 2011: 5
Number of outside directors	2013–2015: 2 2016–2019: 3 → From 2020: 4 From 2022: 3 → 2024: 5 → 2025: 4 → From 2026: 5
Number of outside Audit & Supervisory Board members	Up to 2002: 2 → From 2003: 3
Remuneration for/appointment of directors	2016: Establishes Nomination and Compensation Committee 2017: Adopts performance-linked remuneration system

Basic philosophy

With the aim of earning the continued support of our customers, shareholders, business partners, employees, local communities, and other stakeholders and 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.

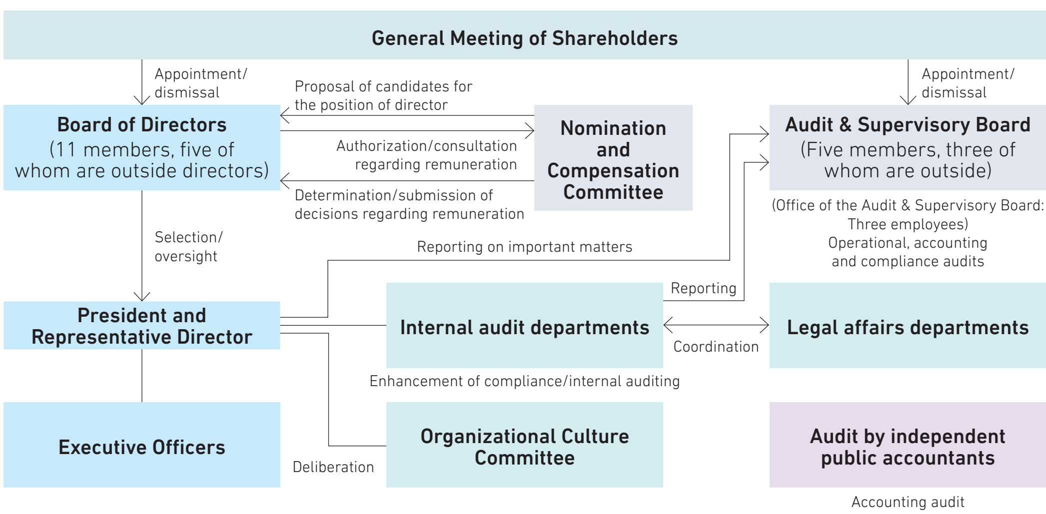
In line with Japan's Corporate Governance Code and at the direction of top management, outside members of the Board of Directors and Audit & Supervisory Board provide independent oversight of the management team's performance in a manner that takes into account the interest of stakeholders and ensures 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 July 1, 2026)

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 at present includes three outside members, and the Board of Directors coordinate with the internal audit departments to audit and supervise the discharge of duties by directors and executive officers. Under our corporate governance framework, five outside directors have also been appointed to the Board of Directors to bring external perspectives to 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 putting forward candidates for the position of director to the Board of Directors and ensuring the appropriateness of remuneration for directors, currently consists of three directors, two of whom are outside. Since June 2023, an outside director has been appointed committee chairperson, a move aimed at improving objectivity and transparency.

Corporate Governance Organization



Board of Directors

At present, 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, while the remaining five are outside directors with no involvement in day-to-day operations.

Executive Officers

We have adopted an executive officer system, whereby the Board of Directors is responsible for decision making and the executive officers are responsible for business execution. This initiative aims to strengthening field divisions and enhance customer service by clarifying responsibilities and authority, thereby accelerating business execution. We currently have 30 executive officers, six of whom also serve as directors.

Audit & Supervisory Board

The Audit & Supervisory Board currently consists of 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	Areas of knowledge and experience (maximum of four/individual)							Attendance at meetings of the Board of Directors (Audit & Supervisory Board) in the fiscal year ended March 31, 2026
	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	●	●	●		●			12/12
Tatsuro Fuse Senior Executive Director	●			●	●	●		12/12
Takashi Nakada Executive Director	●				●	●	●	12/12
Makoto Inaba Executive Director	●		●		●			12/12
Noriyuki Fukuoka Director	●		●		●			—*2
Kiyoshi Hine Director	●	●	●		●			—*2
Hajime Watanabe Outside Director	●	●	●					12/12
Miri Hara Outside Director	●	●		●				12/12
Kosuke Matsuzaki Outside Director	●			●		●	●	12/12
Yukari Suzuki Outside Director	●			●		●		12/12
Junko Yazawa Outside Director	●			●	●			—*2
Seiya Nagao Audit & Supervisory Board Member	●	●	●		●			12/12*3 (—*4)
Yasuhiro Tsuji Audit & Supervisory Board Member	●		●		●	●		12/12 (12/12)
Hideki Kato Outside Audit & Supervisory Board Member	●		●	●		●		11/12 (11/12)
Makoto Yasuda Outside Audit & Supervisory Board Member	●	●				●		12/12 (12/12)
Setsuo Tanaka Outside Audit & Supervisory Board Member	●		●		●			12/12 (12/12)

Notes: 1. This skills matrix does not represent the entire breadth of knowledge and experience of each Director and Audit & Supervisory Board member.
2. Appointed to the position of director on June 26, 2026.
3. Number of meetings attended during tenure as a director.
4. Appointed to the position of Audit & Supervisory Board member on June 26, 2026.

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, 2026

Participation in meetings of the Board of Directors	98.3%
Participation in meetings of the Audit & Supervisory Board	98.3%
Information sessions with directors and other executives of the parent company, subsidiaries and affiliated companies	63 times
Audits conducted by Audit & Supervisory Board members at remote locations	91 locations

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 (seven 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, 2026).

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.

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 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, 2026)

	Name	Principal activities
Outside directors	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.
	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.
	Kosuke Matsuzaki	Mr. Matsuzaki offers advice and recommendations at meetings of the Board of Directors based on experience and insights gained as a corporate manager at major companies both in Japan and overseas. Through these activities, he performs his supervisory function as an outside director adequately.
	Yukari Suzuki	Ms. Suzuki offers advice and recommendations at Board meetings based on experience and insights gained as a director at a publicly listed company with global operations. Through these activities, she performs her supervisory function as an outside director adequately.
Outside Audit & Supervisory Board members	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.
	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.
	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.

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 share-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, 2026

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)	347	222	—	57	67	6
Audit & Supervisory Board members (excluding outside members)	52	52	—	—	—	2
Outside directors	51	51	—	—	—	5
Outside Audit & Supervisory Board members	34	34	—	—	—	3
Total	484	359	—	57	67	16

Note: The Company's target for consolidated operating profit in the fiscal year ended March 31, 2026, was ¥150,000 million. The actual result was ¥160,333 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 2026 and responses were collated by the Board's secretariat in February. Findings were subsequently discussed by the Board.

Summary of findings

Composition of the Board of Directors

The opinion was expressed that the diversity of the Board of Directors has been ensured, that the balance between execution and oversight is appropriate and that the Board is an appropriate size to ensure active discussions and swift decision making. Constructive views were also expressed regarding further diversification of the Board's composition, including by promoting female directors from within the Company and appointing directors with diverse 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, opportunities are provided for them to exchange opinions and deepen understanding of operations outside the framework of Board of Directors meetings, briefings are given in advance to stimulate discussion during Board of Directors meetings, multiple discussions are conducted during meetings, and progress reports are provided subsequent to the passing of resolutions. Both outside directors and outside Audit & Supervisory Board members actively made comments and expressed the view that the atmosphere was conducive to free and open discussion. Various other opinions were also conveyed based on the previous year's survey, notably that improvements had been made in the processes for explaining and reporting on various matters—including the provision of briefings prior to Board of Directors meetings—as well as for advance discussions and ongoing progress reports, and regarding measures to further invigorate discussions.

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. At the same time, constructive views were shared regarding the further progress of discussions—currently being approached from a medium- to long-term perspective—regarding matters such as the overall direction of management strategies, governance and risks, in light of changes in the operating environment.

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.

Messages from Outside Directors

Hajime Watanabe

Outside Director

Principal position currently held in another organization
Chairman and Representative Director, Watanabe Pipe Co., Ltd.

This is my 11th year of involvement in the management of SECOM. During this time, expectations of the SECOM Group have risen further, driven up by social changes, and our dialog with shareholders and investors has become increasingly constructive. I am a great admirer of the vision of SECOM founder Makoto Iida of providing safety and peace of mind to society and the corporate culture it has engendered. SECOM's commitment to this spirit, together with its ability to accurately grasp evolving social imperatives and make necessary changes, continues to underpin its sustainable growth. In my view, the decision in May 2026 to disclose initiatives related to capital allocation and our business portfolio, as well as management's commitment to capital efficiency, are a meaningful step forward for SECOM. That said, disclosure is not an end unto itself. As an outside director, I strive to verify the results of investments after they are made, closely monitoring whether the cost of capital and investment discipline are reflected in business-specific decision-making processes and whether discussions are being conducted with an awareness of investment efficiency.

As Japan's Corporate Governance Code, which was revised in July 2026, also indicates, the responsibilities of independent outside directors have increased in significance. Getting a comprehensive picture of a corporate group that has more than 70,000 employees Groupwide is never easy. In addition to study sessions prior to Board of Directors meetings, strategic support functions—including that of the corporate secretary—must now be further enhanced, as must systematic opportunities for outside directors to learn about SECOM's operations and businesses. The atmosphere at Board of Directors meetings encourages open communication, and for major investments we are meticulous in comparing multiple options, anticipated risks and investment benefits. Even after decisions are made, we hold multiple discussions to verify progress and outcomes. I seek to contribute to better decision making by raising issues and arguments from an external perspective and by stimulating active discussion, at times by making difficult criticisms.

SECOM has built a broad customer base over its many years providing security services, at the same time accumulating vast knowhow in this business. Nevertheless, there is room to strengthen systems for drawing on ideas that may be lying dormant on the front lines, combining them with AI and other technologies and swiftly testing and commercializing new services and systems. There is also still room for improvement in collaboration among SECOM's individual businesses. For example, there is a particular affinity between fire protection services and security services. Further leveraging Group synergies, including across businesses, will uniquely position us to provide comprehensive security that our competitors cannot. In addition to defining how each business contributes to value creation for the entire Group and allocating necessary capital and human resources accordingly, it is vital to maintain a firm rule that processes must be reviewed if improvements do not progress.

Notwithstanding advancements in digitalization and efficiency, responding to security emergencies ultimately depends on people. Protecting employees in the field, improving work environments and ensuring they receive appropriate evaluations are essential to ensuring SECOM's continued competitiveness. It is particularly important to more clearly demonstrate to young employees and security services staff what sorts of growth opportunities and career paths will be available to them once they have gained the appropriate experience. Improved working conditions must be combined with opportunities for acquiring sufficient skills, rotations across different jobs and departments and systems—such as the in-house staff recruitment system—that enable motivated employees to take on new challenges. Empowering young employees to design their own future and fostering sustainable improvements in recruitment and retention by delegating authority to staff on the ground and creating work environments that give managers responsibility and discretion is also crucial to fostering future generations of management talent.

The SECOM Group's Vision for 2040 goes far beyond its predecessor, the SECOM Group's Vision for 2030, and sets forth heightened expectations for SECOM's future. Of course simply formulating a vision is not enough to increase corporate value. It is necessary to translate the path outlined into concrete business plans, investment policies, milestones and KPIs, and to clarify who is in charge of execution. As an outside director, my role is not only to support management but also to objectively evaluate progress and effectiveness and, when warranted, urge course corrections. Further enhancing the Board of Directors' monitoring function will enhance our ability to fulfill our responsibility to ensure SECOM remains a company trusted by its stakeholders.

Miri Hara

Outside Director

Principal position currently held in another organization
Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc.
Outside Director, Nippon Sanso Holdings Corporation

In my view, the discussions of SECOM's Board of Directors are highly transparent and efforts are constantly being made to reinforce governance. Outside directors must constantly question whether management decisions are fair to all shareholders and whether they will yield improvements in corporate value over the long term. Transparency is not merely the provision of vast quantities of information. It is also necessary that options considered, assumptions used and anticipated risks and disadvantages are clearly explained and that thorough discussions take place. It is also essential for the Board to continuously review results and challenges surrounding matters that have been resolved. At present, SECOM's outside directors are individuals with extensive experience in their respective fields who leverage their expertise to facilitate active discussions and encourage swift decision making.

I was initially surprised at the phrase "Peace of Mind through Anticipation" when it was introduced in May 2026 as the key message of the SECOM Group's Vision for 2040. I think it is significant that SECOM has moved beyond the common view that security is dealing with issues after they arise to adopt a truly proactive stance. The fact that younger employees played a role in the formulation of the vision is also meaningful, not in the least because it resulted in something that resonates more with the generation that will lead SECOM in the future. The flip side of advances in AI and data utilization is of course the emergence of new risks related to privacy and information management. When putting the new vision into action, it will be important that a mechanism is in place to ensure a balance between growth and governance.

Since being appointed, I have engaged in ongoing dialog with female employees and have conveyed their wishes—including for the expansion of the system that allows employees to reduce their working hours and creation of networking opportunities for female employees—to the Board of Directors and the Human Resources Division. While previous proposals have led to the creation of a variety of systems, looking forward, we need to consider a comprehensive system for fostering motivated female employees from early on through to their promotion to management and executive positions, creating a methodical path that ensures they gain the necessary pertinent experience. In addition to creating work environments that enable employees to remain employed even after major life events, notably having and raising children, we must recognize the increased burden and contributions of employees who assume a greater workload to cover for colleagues taking leave. In other words, rather than seeing the advancement of career opportunities for female employees simply as an issue affecting a limited number of people, we must recognize it as a key management challenge that, if effectively addressed, will enhance SECOM's growth potential, and proceed with urgency and a commitment to achieving tangible results.

In discussions with employees, comments about our annual employee job satisfaction survey included that there were too many questions, making it too much work to complete, and that the actual objective of the survey was unclear. After extensive discussions during Board of Directors meetings, the decision was made to revamp the survey beginning in the fiscal year ended March 31, 2026, to make it easier for employees to respond. As always, reflecting the findings of the survey in actual improvements in specific divisions and communicating to employees how management has responded remain important tasks. In the absence of sufficient feedback, employee understanding of the need for the survey will once again decline. It is my hope that we can create a virtuous cycle whereby employee opinions are collected, management takes action in response and employees actually feel and appreciate the resulting changes.

It is also crucial that we go beyond simply listing data in compliance with regulations when disclosing information on human capital and sustainability. We must clarify links with management strategies, as well as human resources strategies, and use quantifiable KPIs and monitoring by the Board of Directors to demonstrate impact on the improvement of corporate value. Expanding KPIs for human capital, continuously verifying materiality and improving the integrated reports will enable SECOM to more accurately communicate its medium- to long-term growth potential. As an outside director, I will continue to ask management necessary questions and strive to help raise the level of both disclosure and execution.

Directors, Audit & Supervisory Board Members and Executive Officers

(As of June 26, 2026)

Directors


Yasuyuki Yoshida
President and Representative Director


Tatsuro Fuse
Senior Executive Director


Takashi Nakada
Executive Director


Makoto Inaba
Executive Director


Noriyuki Fukuoka
Director


Kiyoshi Hine
Director


Hajime Watanabe
Outside Director


Miri Hara
Outside Director


Kosuke Matsuzaki
Outside Director


Yukari Suzuki
Outside Director


Junko Yazawa
Outside Director

Audit & Supervisory Board Members


Seiya Nagao
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

Executive Team

Directors

- Yasuyuki Yoshida — President and Representative Director
- Tatsuro Fuse — Senior Executive Director
- Takashi Nakada — Executive Director
- Makoto Inaba — Executive Director
- Noriyuki Fukuoka — Director
- Kiyoshi Hine — Director

Executive Officers

- Osamu Ueda — Managing Executive Officer
- Osamu Nagai — Managing Executive Officer
- Yasufumi Kuwahara — 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
- Katsutoshi Nishikawa — Executive Officer
- Shinji Nishikino — Executive Officer
- Hiromichi Matsui — Executive Officer
- Atsushi Dono — Executive Officer
- Kenichi Sato — Executive Officer
- Keiji Hayashi — 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 Principles

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 Principles 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-blowers' 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, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Number of reports	171	221	**197**

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

Any leakage of personal or confidential information entrusted to us by customers has the potential to disrupt our ability to provide security services, damage or adversely impact customers and result in the forfeiture of our brand image and reputation for reliability.

For this reason, we have established the SECOM Group Information Security Basic Policy and are committed to maintaining a stable operational foundation by implementing necessary measures to counter information security risks and promoting their continuous review and improvement. 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. The Cyber Security Improvement Committee considers and promotes the implementation of measures to strengthen cyber security across the entire SECOM Group. Moreover, when outsourcing work, we enter into appropriate contracts and provide thorough guidance and supervision to subcontractors.

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, 2026)

- 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.

E ENVIRONMENT

SECOM's approach

Recognizing that preserving the global environment is essential to realizing safe and comfortable lifestyles, we implement environmental management systems to ensure environmental responsibility throughout our business activities and across our supply chains.

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.

We have formulated the SECOM Group Environmental Policy and articulated our basic commitment to contributing to the resolution of global environmental issues through our business activities. We also strive to raise employee awareness of this policy and our environmental conservation efforts. We evaluate and manage the progress of these initiatives using seven key environmental performance indicators.

Environmental performance indicators

1. Greenhouse gas emissions (Scope 1 and 2)
2. Greenhouse gas emissions across the supply chain (Scope 3)
3. Reduction of greenhouse gas emissions as against base year
4. CO_2 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 Science Based Targets initiative (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 26–27.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Principal Climate Change–Related Risks and Opportunities

	Key challenges	Potential financial impact
Physical risks	Suspension of operations due to heatstroke/infectious diseases affecting security guards	High
	False readings by security equipment due to rising temperatures	
	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	

Entering into virtual PPAs to expand the use of renewable energy

Since 2024, we have promoted entry into virtual corporate PPAs, contracts with power producers whereby customers purchase the environmental value of renewable energy, with the actual electricity being sold to the grid. To secure renewable energy from diverse sources, we primarily procure solar and onshore wind power. Going forward, we will continue to use electric power from new power plants that use energy from renewable sources, as well as to expand the long-term, stable use of renewable energy, thereby not only reducing our own CO_2 emissions but also contributing to the percentage of energy used by society at large accounted for by renewable energy.

Chuki Wind Farm in Wakayama Prefecture

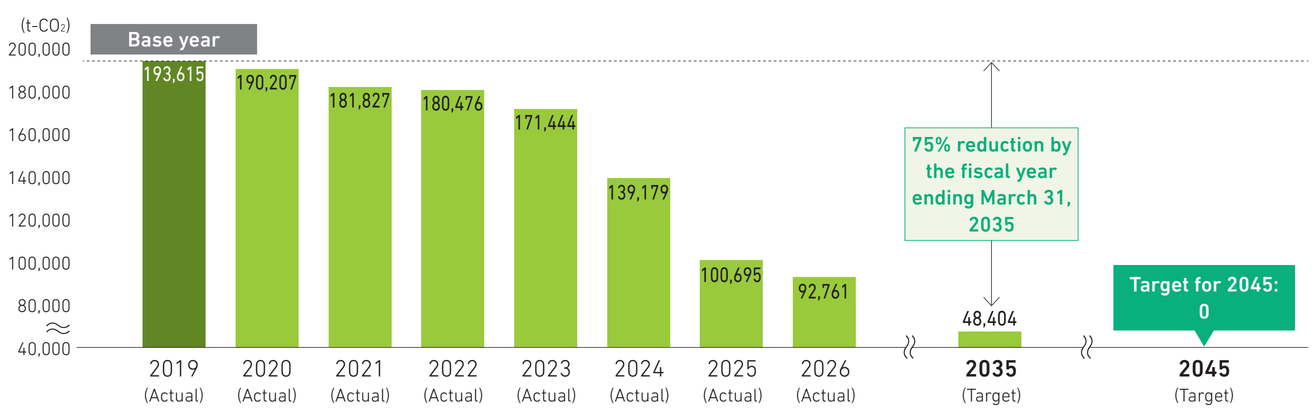
Medium- and Long-Term Targets for Reducing Greenhouse Gas Emissions

(Fiscal years ended/ending March 31) (Year)

	Medium-term target: 2027 – 2029 – 2035	Long-term target: 2045	2050
Scope 1 and 2	75% reduction (from the fiscal year ended March 31, 2019)	Zero emissions	
Scope 3	45% reduction (from the fiscal year ended March 31, 2019)	Zero emissions	Zero emissions

- Having met our medium-term target for Scope 1 and 2 greenhouse gas emissions—45% decline from the level in the fiscal year ended March 31, 2019—in the fiscal year ended March 31,2026, in August 2026 we set a new target, as shown above.
- These targets have been certified under the SBTi, which 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.

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



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

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

Recognized as a double A List company in the CDP's 2025 climate change and water security programs

In 2025, we were awarded the highest "A List" rating in both the climate change and water security programs administered by the CDP, a global nonprofit that operates an international environmental disclosure system.

Selected for CDP's supplier engagement leaderboard for the sixth consecutive year

Also in 2025, we were named to the supplier engagement leaderboard—the highest rating in the supplier engagement assessment portion of the CDP's climate change program—for the sixth consecutive year. This assessment evaluates companies' efforts to address climate change by promoting greenhouse gas emission reductions across their supply chains.