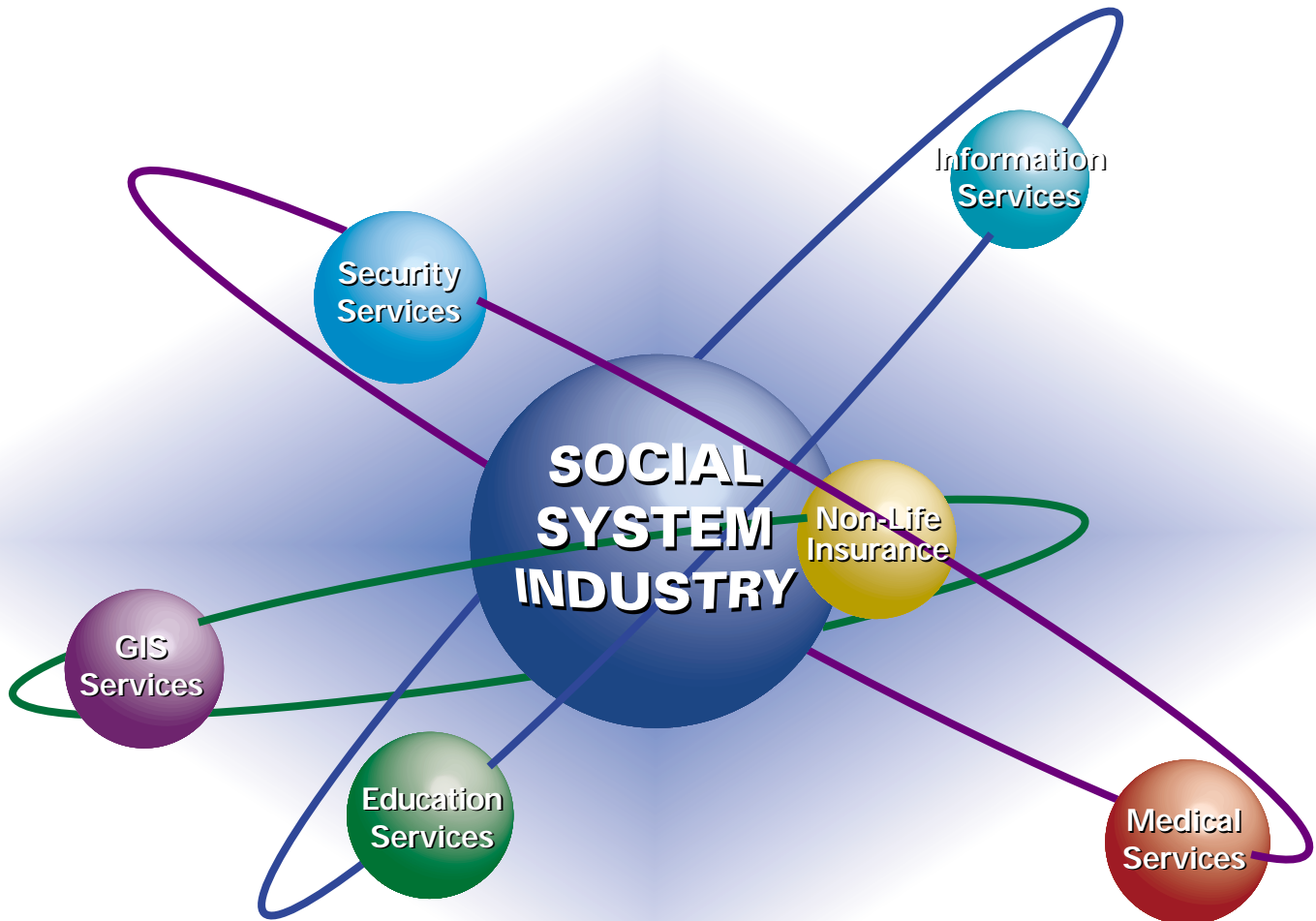


SECOM's Social System Industry vision is to offer a multitude of integrated services and systems that make life more secure, convenient and pleasant, thereby helping to create a new social infrastructure. To this end, we have built on our foundation in the security services field by expanding into information services, medical services, education services, non-life insurance and GIS services. We will continue to incorporate new services and systems as we pick up the pace of our efforts to realize the full potential of the Social System Industry.

Building the Social System Industry



SECOM offers services in six major categories. The following pages offer a brief glance at the progress we have achieved in bringing the Social System Industry closer to realization.

Security Services

Since its establishment, SECOM has built a solid operating foundation in the security services field by developing and popularizing groundbreaking systems and services. The driving force behind our advancement has been on-line centralized security

systems that combine electronic monitoring and human response. We have built up a solid position of trust with subscribers to these services, which use SECOM monitoring equipment installed on the subscriber's premises and linked on-line to a SECOM control center. In the event of a problem, staff at the control center are alerted and immediately dispatch personnel. Our unique business model has enabled us to secure a sound financial position and build one of the nation's largest information and communications networks.

Capitalizing on these two important assets, we have built a solid foundation upon which to build the Social System Industry.

We have not limited our focus in this field to security services. For the workplace, we offer a comprehensive range of services encompassing the design and manufacture of sensors and other equipment, installation and maintenance. We are also emphasizing security systems for the home as a key channel for the Social System Industry. Our flagship service, SECOM HOME SECURITY PLUS, for example, provides our standard security functions—such as 24-hour monitoring and response to fires, gas leaks, intrusions, emergencies

and equipment malfunctions—as well as lifestyle support services, including home banking, home shopping and medical consultation via the system's multimedia interface. With this service, we have taken great strides toward our goal of having customers go to SECOM first to respond to a variety of needs. To realize this, we will continue to incorporate new functions from the information, medical, education, non-life insurance and GIS fields seamlessly into our security systems. We will further develop security services as the platform for further growth in these areas throughout SECOM.



Information Services

Systems integration services and cable TV services have long been the pillars of our information services operations, and with the burgeoning demand for on-line security created by the growth of the Internet, we have established cyber security as a natural extension of our physical security services. Recently, we restructured our information services to concentrate cyber security services at Secom Trust.net. We also plan to link Secom Information System Co., Ltd., which specializes in

Internet and intranet services, with Secom Trust.net to provide solutions to the growing e-commerce needs of our customers.

As the needs of society evolve in the information age and cyber security takes on added importance in our daily lives, we are adapting our security paradigm to embrace cyber security along with our traditional services for guarding the lives and physical assets of subscribers. We believe this market will continue to grow, and SECOM will step up its efforts to provide security and peace of mind in cyberspace.

Medical Services

We see medical and health care as an inherent part of our mission to provide security and peace of mind, and our entry into the medical services field reflects this view. We believe people should have access to home-based alternatives to hospital treatment. Accordingly, we have begun offering medical services with a focus on home health care. Today, in-home nursing and pharmaceutical services are the backbone of these operations. Nursing services involve qualified nurses visiting patients at home to administer medical care under the direction of the patient's primary doctor, while pharmaceutical services involve delivery of prescribed medicines prepared in the Secom Pharmacy, a certified dispensary, to the homes of the patients.

We also developed the Medidata on-line home medical support system, which uses our information and communications network to relay test



results conducted with self-administered analytical equipment provided on a rental basis. Such data as blood pressure, heartbeat and blood sugar levels is first relayed to our nursing centers, where it is checked daily, and then reported periodically to the patient's doctor. Our nursing centers also provide round-the-clock telephone medical consultation services that offer patients convalescing at home constant access to medical expertise.

The Hospinet service is a remote image diagnosis support service provided to subscribing medical institutions. When a participating institution requests diagnosis of a magnetic resonance imaging (MRI) or computed tomography (CT) scan of a patient, the image data is sent via high-speed

integrated services digital network (ISDN) from the examination center to the SECOM Hospinet Center for analysis. Diagnosticians at the center then provide medical consultation to the institution that requisitioned the test.

We plan to continue expanding and reinforcing our medical services to respond to the increasingly diverse needs of people seeking to live healthier and more rewarding lives. At the same time, we will strive to improve our grasp of market needs and our capabilities in this field through related operations, namely nursing home management, herbal remedy preparation and distribution operations, and health food mail-order sales, thereby enhancing the scope of this essential component of the Social System Industry.



Education Services

We consider education to be an essential component of the Social System Industry because of its fundamental role in enriching people's lives. Attracted by the rapid introduction of computers into schools in recent years, Secom Lines has expanded its lineup of on-line educational software. The Lines School Internet Series, for example, is capable of blocking access to sites and material deemed offensive to children. The series includes Lines Navi, which allows students to access only Web sites designated by the teacher; Lines Classroom, which enables entire classes to create Web sites; and Lines Mail, which allows classes to send e-mail to other schools.

The use of computers in education is expected to continue increasing in the 21st century. By developing new software to support class-based learning with computers, we intend to keep abreast of the trends and broaden our lineup of excellent and easy-to-use classroom tools.

Non-Life Insurance Services

With our entry into the non-life insurance field, we are now able to offer our centralized security system subscribers a comprehensive service package that ensures total protection in the event of loss-causing incidents. Secom General Insurance draws on SECOM's resources to offer distinctive policies. The Secom My Car Insurance policy, for example, is the first in Japan to offer round-the-clock on-site emergency services, including the dispatch of SECOM staff to the site of accidents involving policyholders.



We also offer up to a 30% discount on our fire insurance policy if the policyholder subscribes to a SECOM monitored security service. The savings on this policy correspond to the amount of risk reduced by having a monitored security system, providing subscribers with a policy that is more competitively priced.

We intend to continue combining our insurance and security operations in unique ways to create innovative policies that set new standards for insurance services.

GIS Services

SECOM entered the aerial survey and GIS field by becoming a major shareholder in domestic market leader Pasco, a Tokyo Stock Exchange First Section-listed company that surveys Japan using aerial photographs superimposed on map data, providing a range of essential services. By combining such data as area population, land prices and transportation networks with maps and GIS data, we expect to add further value to existing services and products.

Pasco recently launched the Management Navigation Service, which integrates maps with management information support systems. Various data can be superimposed on the digital maps provided by the service to support management

analysis and such decisions as the optimal positioning of store branches. We have already used this system to support our area marketing and emergency response services, which have begun to show increased accuracy and efficiency as a result.

By developing additional applications for GIS services, we will expand the scope of the Social System Industry, enabling us to develop services that further contribute to security, convenience and peace of mind.

