

～Financial Results for the Fiscal Year Ended March 31, 2019: Supplementary Information～

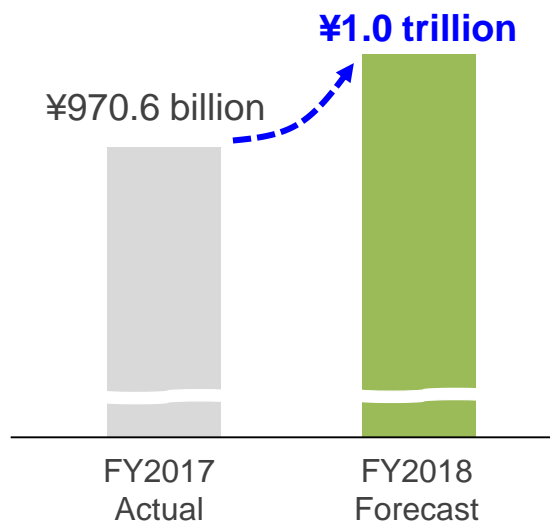
1. Financial Highlights

2. Achieving the goals of the SECOM Group Road Map 2022

Financial Highlights

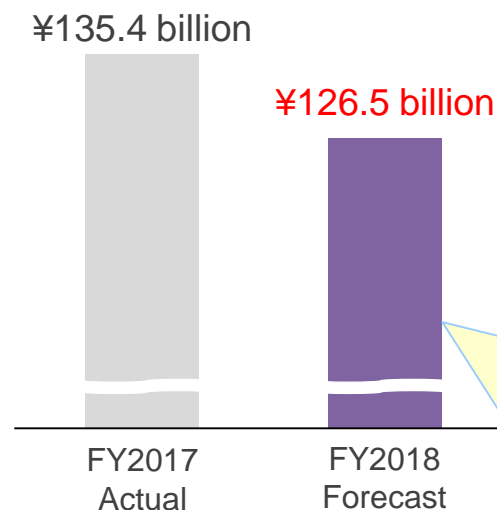
Forecasts for FY2018 (Year ended March 31, 2019)

Revenue (Forecast for FY2018)



Target: ¥1.0 trillion
(a historical first)

Operating Profit (Forecast for FY2018)



Forward-looking investment

Invest in human resources: ¥6 billion

⇒ Support self-realization

⇒ Attract competitive personnel

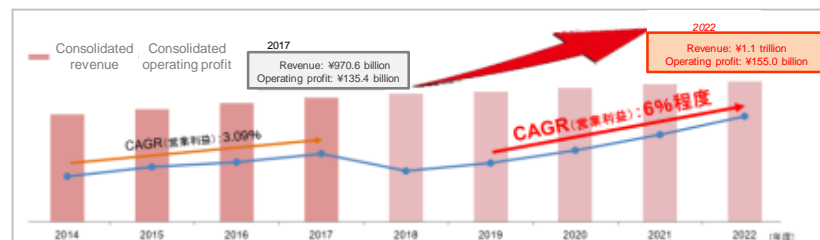
Invest in systems: ¥4 billion

⇒ Upgrade core system

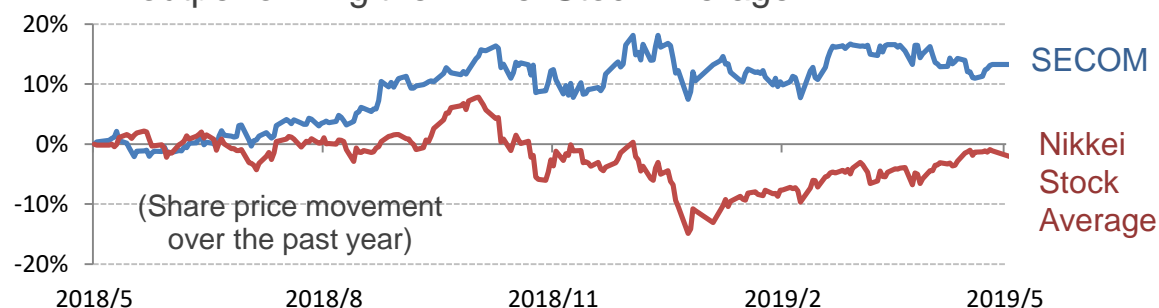
⇒ Improve operational quality and efficiency

Forward-looking investments aimed at dramatic growth

■ May 2018: Announced the SECOM Group Road Map 2022



■ Evaluated highly by the market, with share price greatly outperforming the Nikkei Stock Average

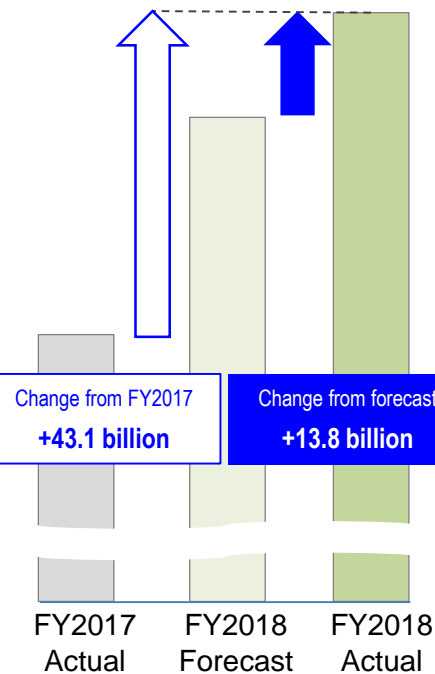


Revenue

**Exceeded
¥1.0 trillion**

Record high

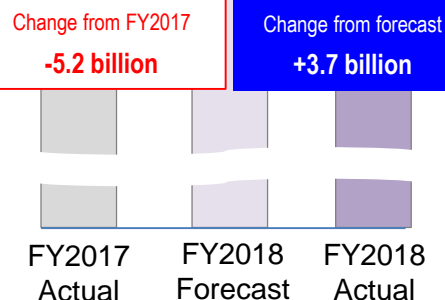
(In billions of yen)
970.6 1,000 **1,013.8**



Operating profit

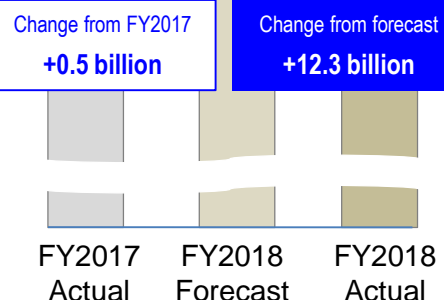
(In billions of yen)
135.4 126.5 **130.2**

**Forward-looking
investment**



Ordinary profit

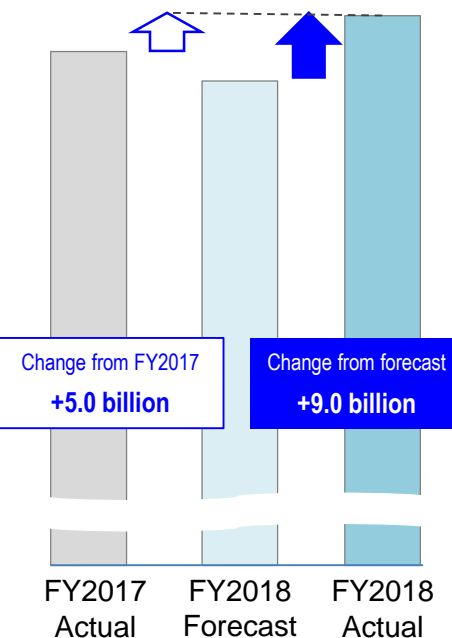
(In billions of yen)
144.3 132.5 **144.8**



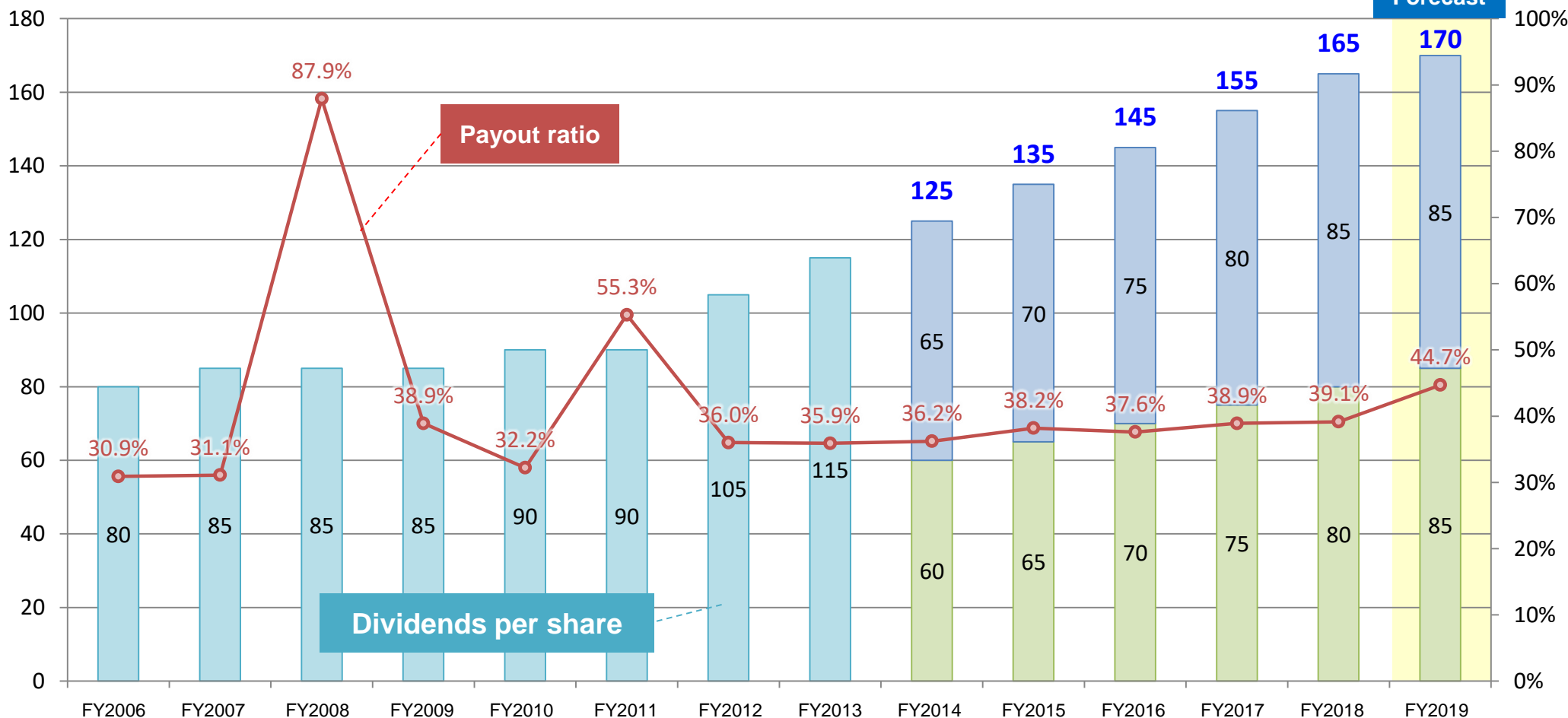
Net income attributable to owners of the parent

Record high

(In billions of yen)
86.9 83.0 **92.0**



(Yen)



**Full-term dividends amounted to ¥165.00/share in FY2018 (+¥10.00 from FY2017)
and are forecast to reach ¥170.00/share in FY2019 (+¥5.00 from FY2018).**

Achieving the Goals of the SECOM Group Road Map 2022



SECOM will capitalize on the *ANSHIN* Platform to alleviate problems and resolve concerns through the seamless provision of services tailored to evolving social imperatives. The *ANSHIN* Platform will also further reinforce SECOM's relationship with customers and society.

Supplementary Information

SECOM Group Road Map 2022

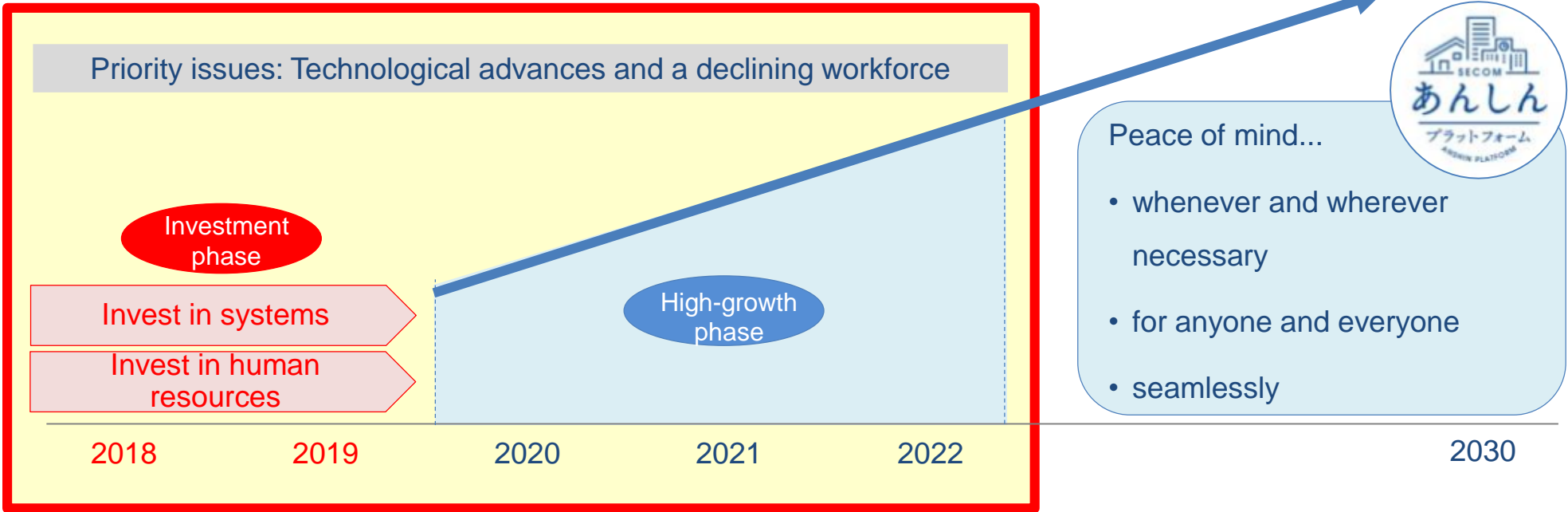
SECOM Group

Road Map 2022

Backcasting

(A planning method that starts with envisioning a desirable future and working backward from there to identify steps necessary to attain that future)

**2030
VISION**
SECOM GROUP



In May 2018, we formulated the SECOM Group Road Map 2022 to clarify the challenges we must address to achieve the SECOM Group's Vision for 2030.

Achieving the Goals of the SECOM Group Road Map 2022

Evolving social imperatives, including technological advances and a declining workforce

Expanding and increasingly diverse customer needs for peace of mind

① Digital transformation

- Redefine SECOM's businesses and competitive strengths
- Respond to the needs of a **data-driven society** (Leverage Big Data analysis, AI, IoT, etc.)
- Create **added value** through digitization



② Maximization of human resource value

- Create a **virtuous cycle** of sustainable growth rooted in employee job satisfaction
- Secure **competitive human resources** (Help employees fulfill their potential and hire people with specialized skills)
- Enhance **ability to inspire trust and reinforce expertise**



③ All-inclusive management

- Establish a **Teal organization*** in which all employees fully grasp their mission and act independently
- Encourage solidarity by **clarifying SECOM's Philosophy**
- Achieve greater **management agility**

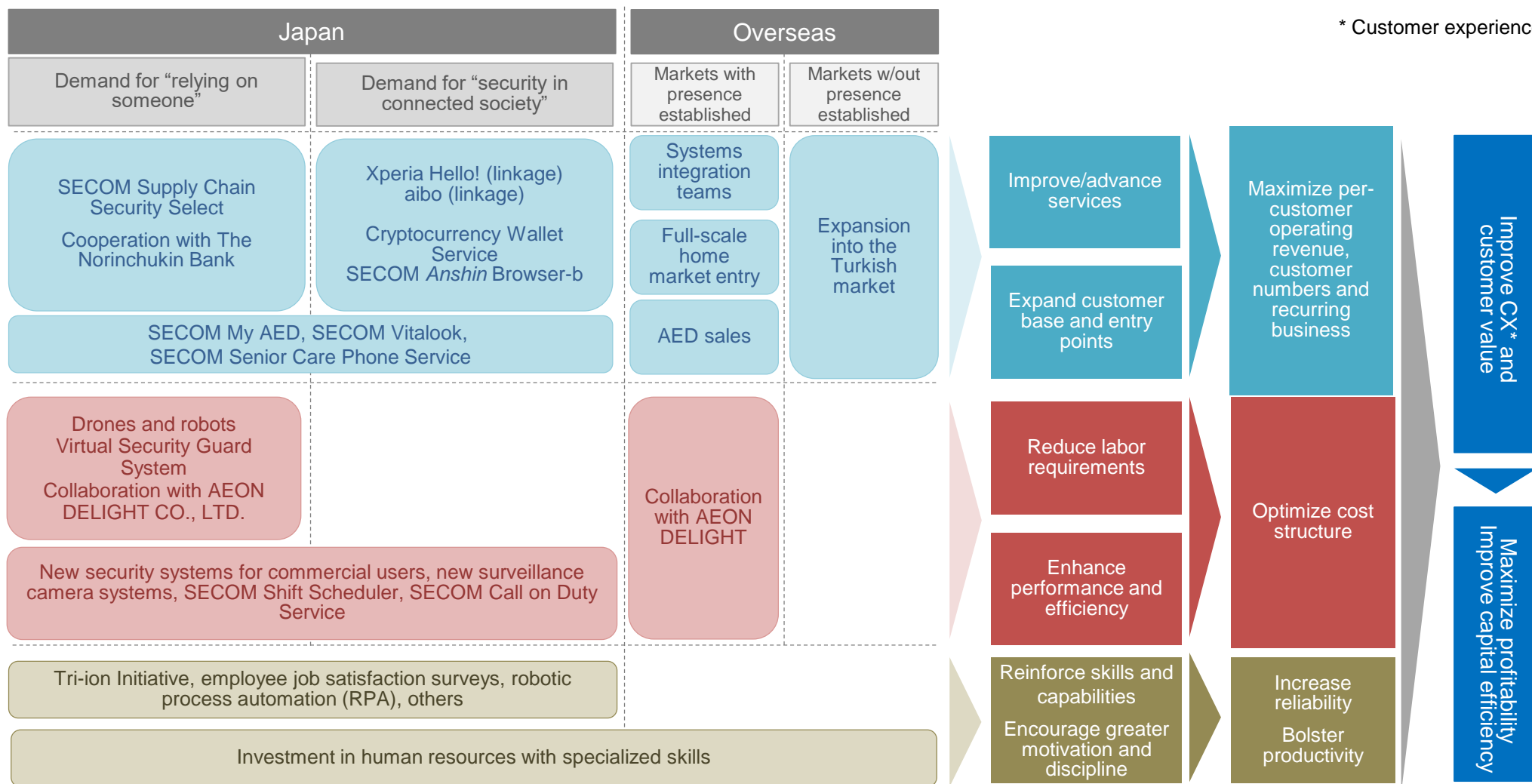
* A next-generation organizational paradigm characterized by employee self-direction

Address social imperatives and increase corporate value

We will implement the road map by leveraging digital transformation to bolster added value while at the same time maximizing human resource value and encouraging a managerial mindset among all employees.

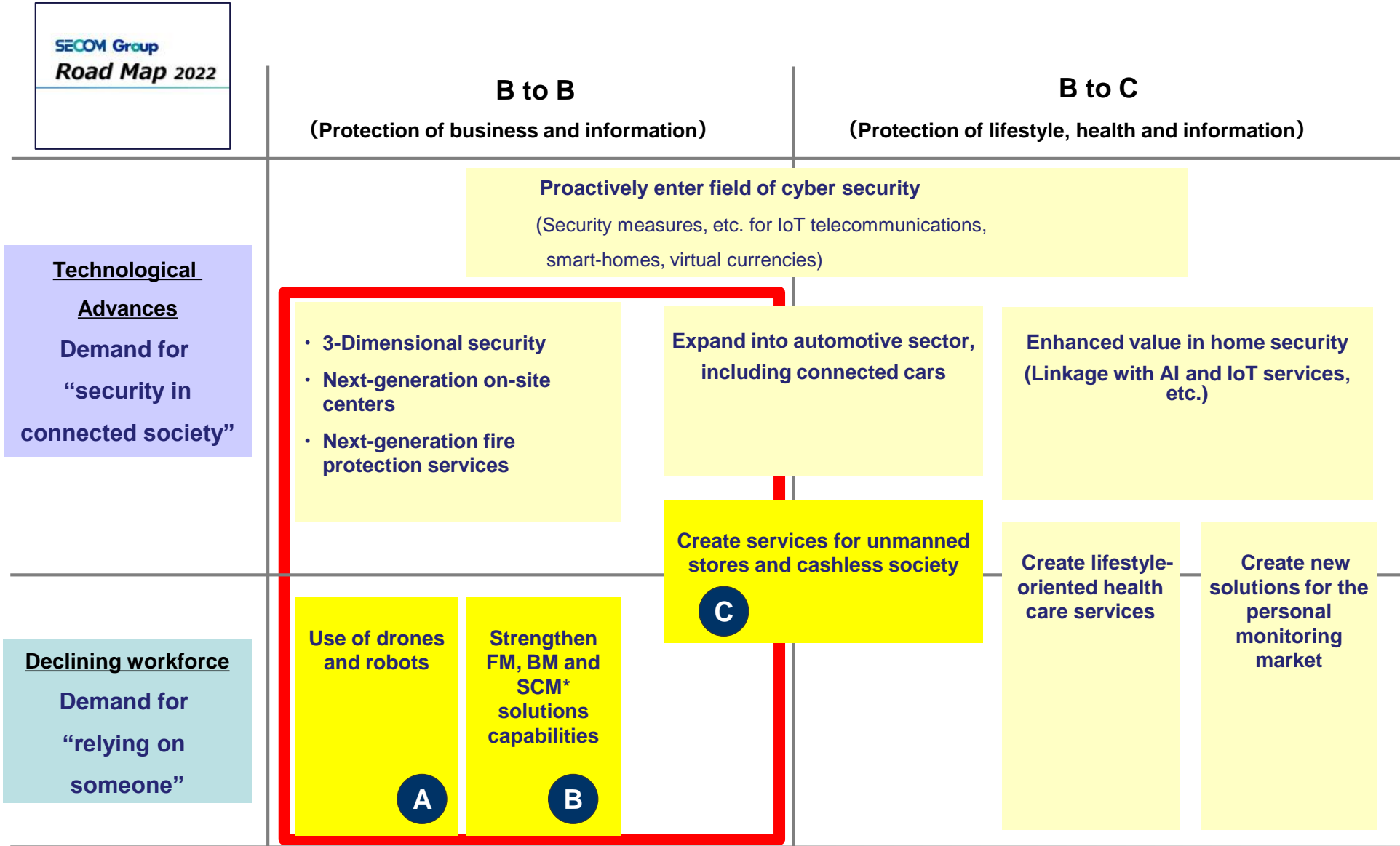
Achieving the Goals of the SECOM Group Road Map 2022: Key Initiatives

* Customer experience



To facilitate implementation of the SECOM Group Road Map 2022, we are steadily promoting business strategies by making focused, forward-looking investments and at the same time creating and fostering new businesses and reinforcing existing businesses.

Protecting Businesses



*FM: Facility management, BM: Building management, SCM: Supply chain management

Protecting Businesses

A Use of drones and robots

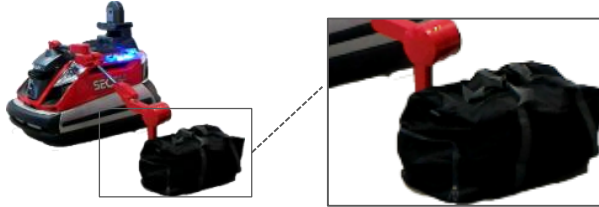
SECOM Drone

Completed verification for use in stadium security (first time in Japan)/Tested for use in preventing crop damage due to animals



SECOM Robot X2

Began offering for indoor autonomous patrol and security guard services at major facilities



Virtual Security Guard System

Commercialization for security guard services planned for fiscal year 2020



Press release issued
April 25, 2019

B Strengthen FM, BM and SCM solutions capabilities

Collaboration with AEON DELIGHT

Full-scale deployment of systems to make static guard services less labor-intensive

信頼される安心を、社会へ。



Access control

Access control for ports

Partial automation of store opening/closing

SECOM Supply Chain Security Select

Began providing support for acquisition of food security certification



Cooperation with The Norinchukin Bank

Project in the area of security measures for food-related facilities

信頼される安心を、社会へ。



農林中央金庫

C Create services for unmanned stores and cashless society

SECURILOCK Smart

Enables users to lock and unlock doors remotely using a smartphone app



New commercial security system

Single system that can accommodate everything from small retail outlets to large-scale structures

On-line security system

Access control

Simple CCTV

Linked with smartphone



New surveillance camera system

Distinctive surveillance camera system that responds to new needs



New Commercial Security System

Expansion of the market for commercial security services

Concept

- ☆ Goes beyond conventional on-line security system
 - Surveillance camera system
 - Access control system
 - Employees attendance management system
 - Facility control system
 - ALL SECOM solutions proposals

- ⇒ Ability to combine multiple systems in response to various customer needs
- ⇒ Expansion of value in a manner that prioritizes customer success

Strategic introduction of new commercial security system



Combines security systems with diverse functions into a single system that can be provided to customers as a unit.

On-line security system

Stage 2

- Accommodate small and medium-sized facilities
- Develop new image sensors
- Facilitate control from smartphone

Image surveillance

Stage 3

- Accommodate large facilities
- Develop a variety of image sensors

Access control

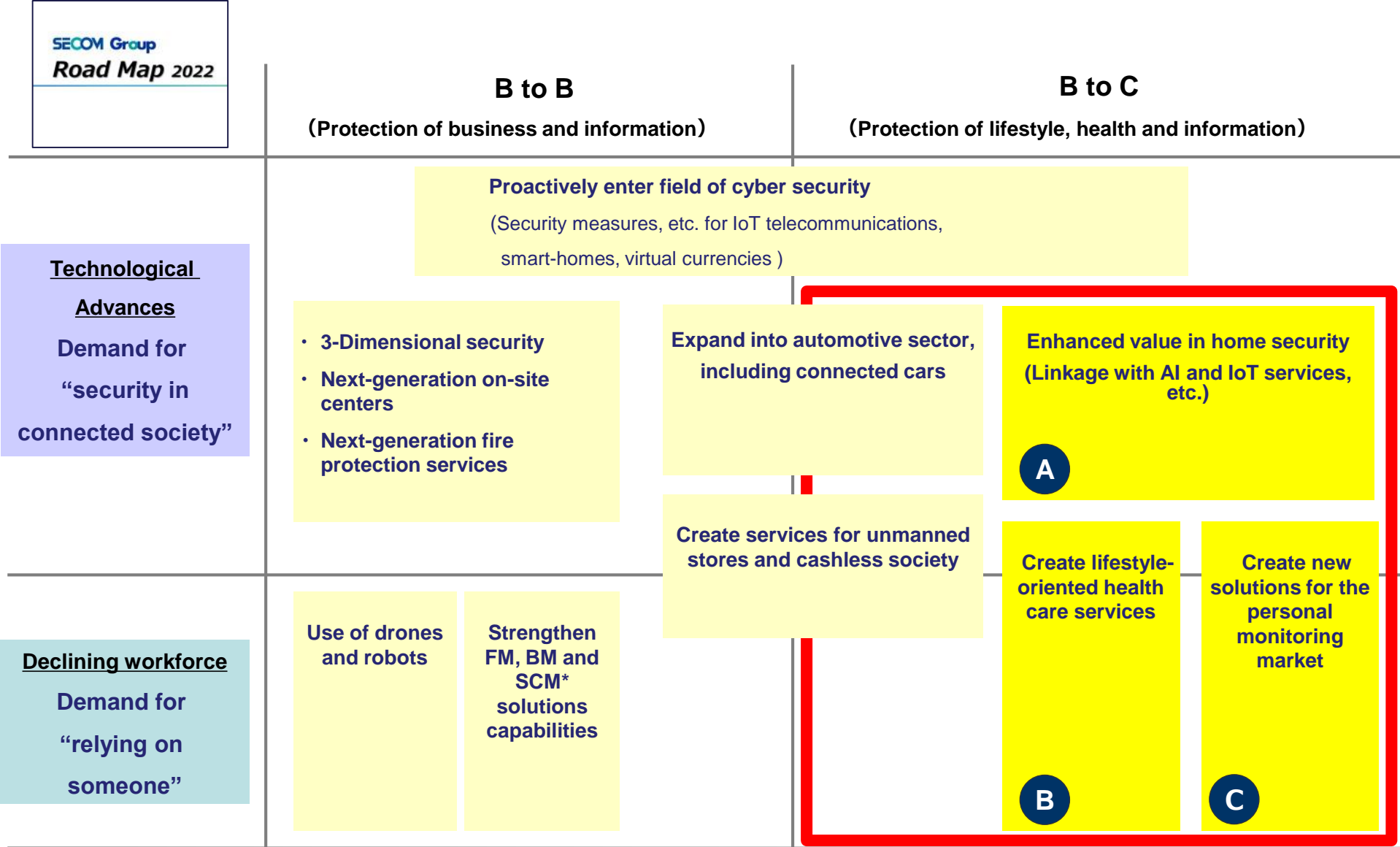
Stage 1

- Develop shared platform with access control system

Installation is progressing at

- **Major hotels**
- **Large sports facilities**
- **Other large-scale structures**

We have released a new system for commercial subscribers that combines an on-line security system with access control and image surveillance functions. This distinctive offering adds depth to our framework for commercial security services.



*FM: Facility management, BM: Building management, SCM: Supply chain management

Protecting Lifestyles and Homes

A Enhanced value in home security

Xperia Hello!


Communication robot linked with SECOM Home Security to provide discreet monitoring



Peace of mind, even when apart

aibo

Verification testing of service linking SECOM Home Security and aibo Patrol is planned



AI/robotics Entertainment


Linkage

A new world of services realized through the combination of home security and monitoring

B Create lifestyle-oriented healthcare services

SECOM My AED

Home-use AED and on-line package service that protects against sudden cardiac death



Management of emergency information Health consultation SECOM My AED

Outdoor AED boxes

AED Outdoor Package Service guarantees reliable operation for AEDs installed outdoors



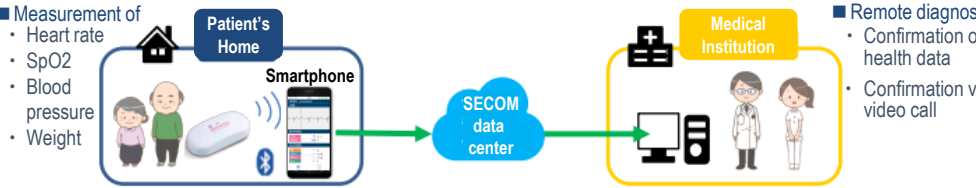
AED box equipped with fan heater Emergency communications terminal Promote public-use AEDs on city streets

AEDs on city streets

C Create new solutions for the personal monitoring market

SECOM Vitalook

Telemedicine support platform that collects and confirms patients' health data



- Measurement of
 - Heart rate
 - SpO2
 - Blood pressure
 - Weight
- Remote diagnosis
 - Confirmation of health data
 - Confirmation via video call

SECOM Senior Care Phone Service

SECOM My Doctor Plus combined with cellular phone monitoring device with safety confirmation function



E-mail

Introducing the SECOM Senior Care Phone Service



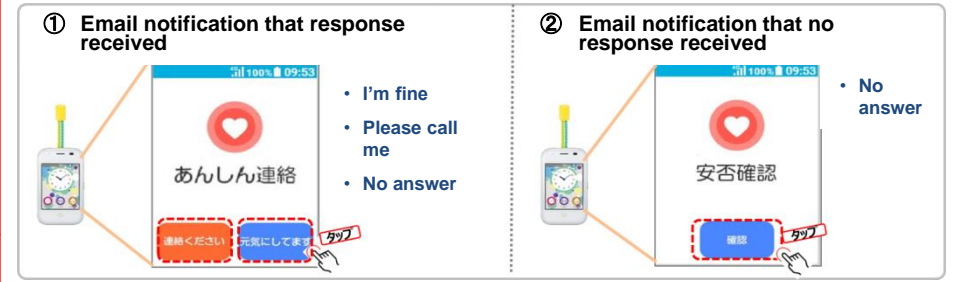
- 4G terminal with LC touch panel
- Also available to individuals who are not SECOM Home Security subscribers

■ Service list

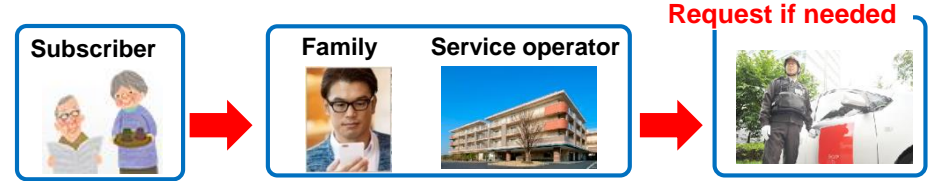
Service	Description
Emergency response	<ul style="list-style-type: none"> The terminal transmits an emergency alert. SECOM responds, using a key entrusted to SECOM to enter the subscriber's home.
On-site emergency response	<ul style="list-style-type: none"> SECOM dispatches emergency response personnel to the subscriber's home if the alert has come from there. If the subscriber has fallen, emergency response personnel provides assistance.
Preregistered emergency information	<ul style="list-style-type: none"> If emergency services are called, preregistered emergency information (name of subscriber's family doctor and/or the doctor in charge of treatment, patient ID number, etc.) to ambulance attendants.
Telephone health consultation	<ul style="list-style-type: none"> The telephone number of the nursing center is preprogrammed into the phone. Health consultation services are available around the clock.
Positioning information	<ul style="list-style-type: none"> The phone's GPS function enables family members to pinpoint the user's location whenever necessary.
Safety confirmation	<ul style="list-style-type: none"> Simple communication is used to confirm safety. Provided as a business tool to service operators with safety confirmation requirements.

■ Safety confirmation function

How does it work?

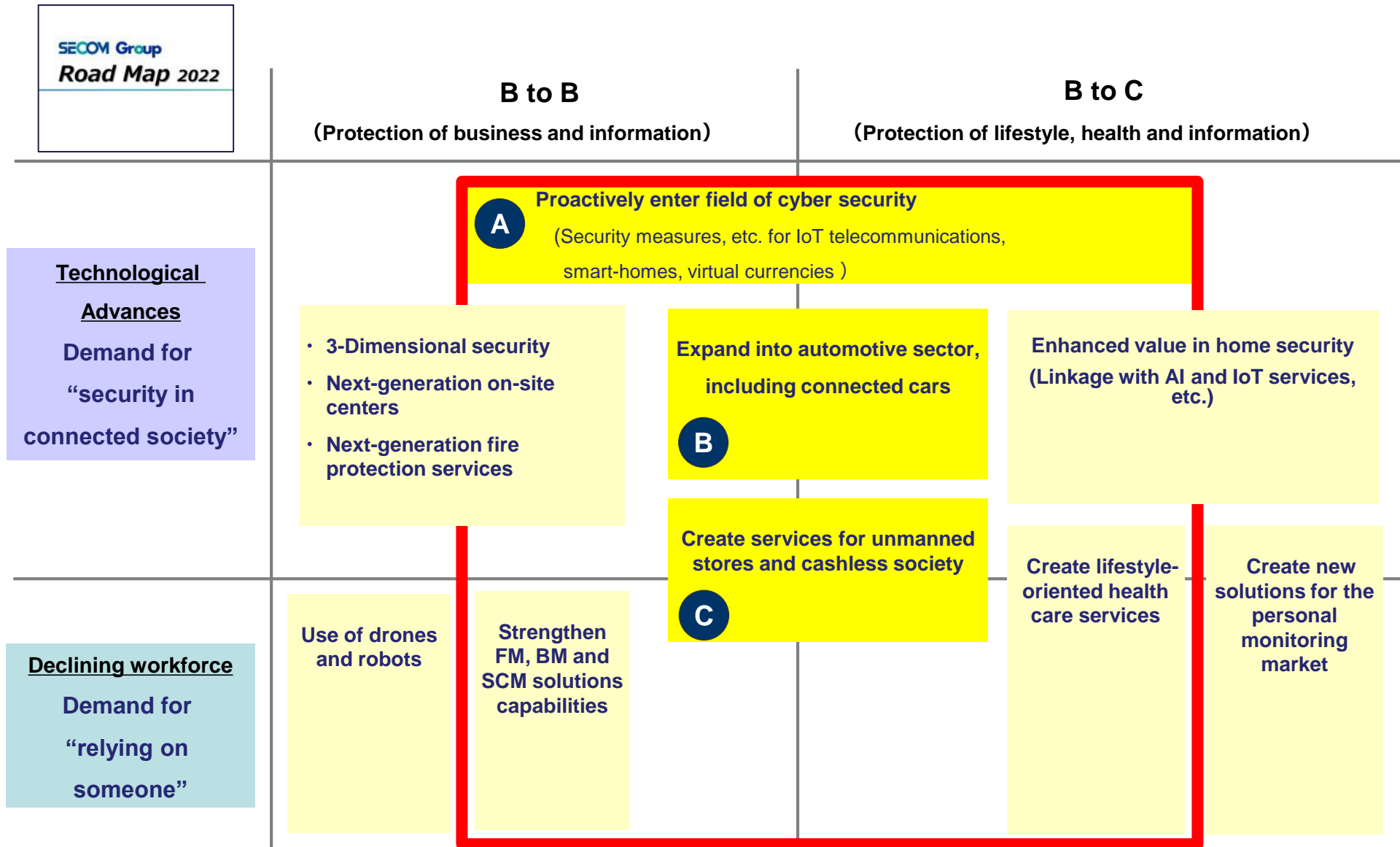


Family members or service operators confirm status



The new SECOM Senior Care Phone Service combines SECOM My Doctor Plus with a safety confirmation function to deliver enhanced peace of mind. This offers an easy-to-use, cost-effective response to ever-increasing demand for services related to care for seniors.

Protecting Information



*FM: Facility management, BM: Building management, SCM: Supply chain management

Protecting Information

A Proactively enter field of cyber security

Cryptocurrency Wallet Service

- Issue and management of keys used in cryptocurrency transactions
- Global-standard security that leverages know-how accumulated as a digital certification authority
- Reduces risk of unauthorized access and fraudulent transfers



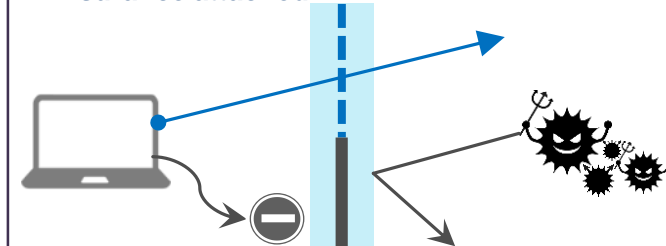
Identity confirmation platform

- Identity confirmation platform employing biometric and blockchain technologies
- Designed to enhance the convenience of financial services infrastructure
- Participation in securities consortium in Japan



SECOM Anshin Browser-b

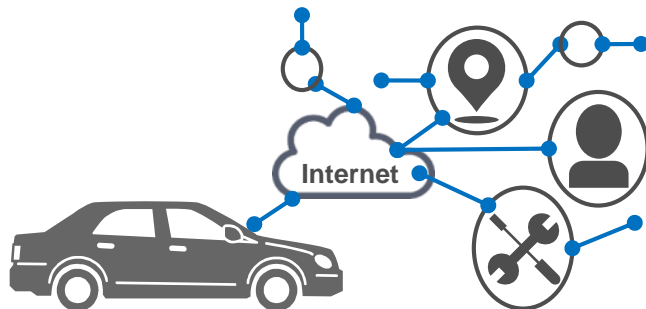
- Service that protects against cyber attacks developed in collaboration with Fuji Xerox Co., Ltd.
- Provides entrance and exit protections for information systems
- Japan's first such service with liability insurance attached



B Expand into automotive sector

Services for connected vehicles

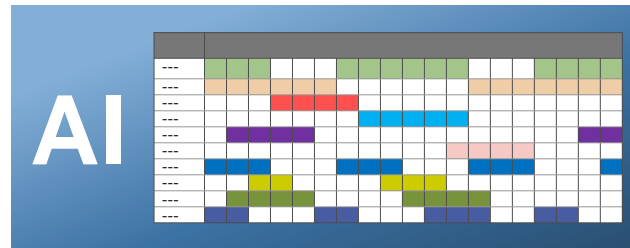
- Services that connect vehicles to a variety of devices
- Include provision of an identity confirmation platform that connects vehicles to the Internet



C Create services for unmanned stores and cashless society

SECOM Shift Scheduler

- Automated shift schedule service that makes use of AI
- Shift schedules can be rearranged as necessary
- Shifts can be confirmed from anywhere at anytime



SECOM Call on Duty Service

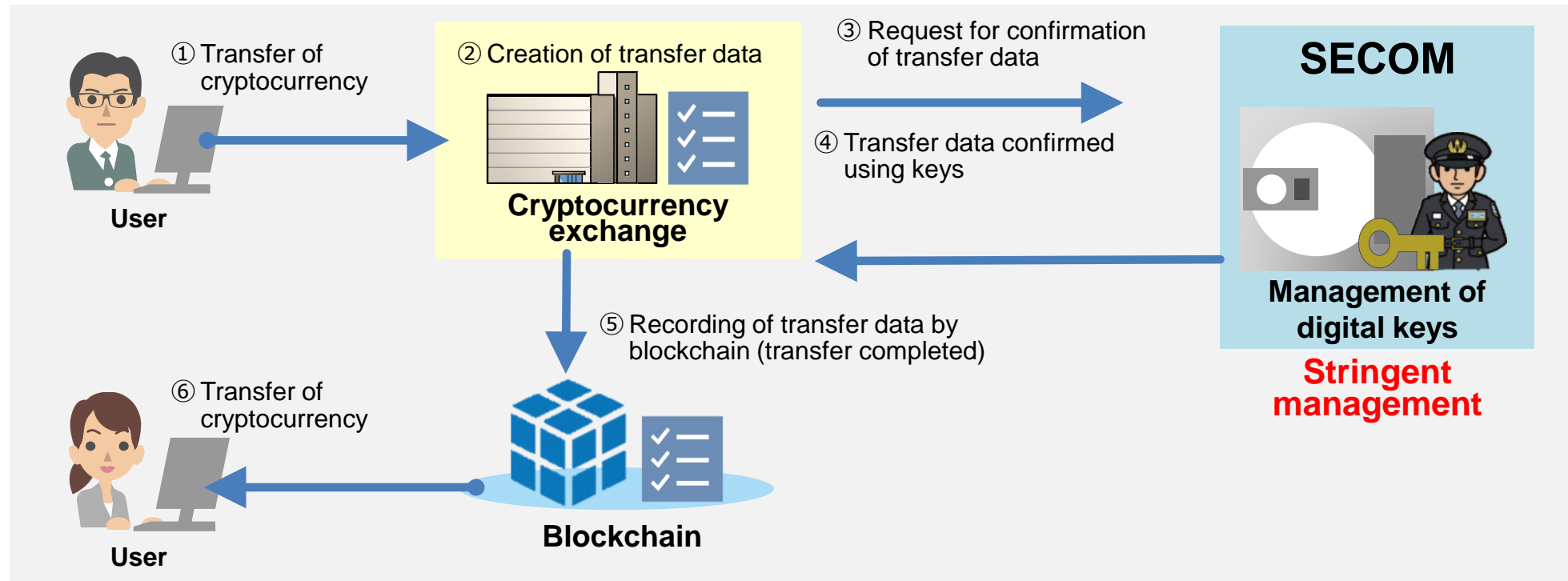
- Around-the-clock telephone reception service that supports efforts to implement work style reforms and enhance productivity
- Synergies expected between SECOM and TMJ, Inc., an expert in contact center operations, including in cross-selling security systems for condominiums/apartments



Launching the Cryptocurrency Wallet Service

* A system for managing the keys used in cryptocurrency transactions

Global-standard secure cryptocurrency wallet* that leverages know-how accumulated through the operation of robust secure data centers and as a digital certification authority



The Cryptocurrency Wallet Service stores digital keys on behalf of cryptocurrency exchanges, ensuring safe use and management, thereby reducing unauthorized access and fraudulent transfers.

Initiatives in Overseas Markets

SECOM Group Road Map 2022		B to B (Protection of business and information)	B to C (Protection of lifestyle, health and information)
Countries with presence established	A Tie-ups with local companies, etc.		C Full-scale entry into home market
	Capture outsourcing needs of financial institutions		
	B Expand SI* business targeting plant and building construction and infrastructure investment		
Countries w/out presence established	D Develop businesses in countries without presence		

*SI: System Integration

Initiatives in Overseas Markets

A Tie-ups with local companies, etc.

Examples in overseas markets

- Collaboration with AEON DELIGHT to promote the provision of **FMs and proposal of solutions that reduce labor requirements** for AEON Malls in the PRC, Vietnam, Malaysia and elsewhere
- Cooperation with an AED manufacturer to reinforce AED sales in Thailand and Malaysia
- Preparations to commence sales of AEDs in the PRC and Vietnam in cooperation with local AED manufacturers



B Expansion of SI business

Creation of SI teams

- Promotion of efforts to identify and promote **large-scale and multi-location projects**, focusing on Japanese companies
- Efforts to swiftly grasp information on the overseas expansion plans of Japanese companies by capitalizing on broad network in Japan and overseas
- Efforts to leverage know-how accumulated in Japan to actively propose tailored SECOM-style solutions for a broad range of users, including **multitenant buildings, factories, warehouses, commercial facilities and drugstores**, in multiple countries
- Active promotion of **official development assistance (ODA)** projects in countries in which SECOM currently operates

C Full-scale entry into home market

Home market entry in key Asian cities

- Launch of **new SECOM Home Security service** featuring smartphone operation in Thailand
- Robust sales, particularly for homes newly built by local developers
- Opening of **China Innovation Center** in Shanghai
- Efforts to strengthen planning framework to ensure the deployment of timely, appropriate services that respond to local home market needs

D Develop businesses in countries without presence

Expansion into the Turkish market

- Launch of operations in **Turkey** (SECOM's 13th overseas market for security services)
- Expanded deployment of high-precision security solutions that leverage IT, including sensors and surveillance cameras, in promising overseas markets, where security services still center on human guards
- Efforts to bolster sales by actively promoting overseas expansion in **promising markets where SECOM currently has no presence** while enhancing Japanese-style security solutions, in line with the SECOM Group Road Map for 2022



Expanding into the Turkish Market

Factors behind expansion into the Turkish market

- ① Average age of population is low
- ② Advantageous geopolitical position
- ③ Generally positive view of Japan

■ Çalik Group

- Corporate group with a network encompassing Turkey and Central Asia and operations in a diverse range of sectors, including energy, construction and finance
- Became the **first Turkish company to join the Keidanren** (September 2018)

■ Turkish market

- Turkey continues to attract attention as a location for production facilities; economic growth in recent years has brought a steady stream of new facilities.
- According to Japan's Foreign Ministry, 197 Japanese companies had bases in Turkey as of 2017, **a sharp increase** from 93 in 2012.
- Security services companies in Turkey are primarily local and the market centers on static guard services.
- The penetration rate for home security services is approximately 20% in the U.S. In Turkey, **the penetration rate for home security services is 2%**, while **that for commercial security services is 5%**, indicating considerable scope for growth.
- With labor costs rising and demand for stringent security at factories rising, there is a **need for Japanese-style security services**.

■ Outlook

- Leveraging our ability to provide comprehensive security services, from the installation of equipment to operations and maintenance, we have set targets for a **10% local market share** in terms of contract volume and **sales of ¥2.0 billion** in our fifth year in Turkey and aim to be **one of the top three security services companies in the country** by 2025.



Signing ceremony with Ahmet Çalik, Chairman and CEO of the Çalik Group

In February 2019, we established a 50:50 joint venture (SECOM Group consolidated subsidiary) in Turkey with the Çalik Group.

Creating a More Robust Infrastructure ① (Investing in New Technologies)

Investment in security core system

- Forward-looking efforts to **expand capacity**
- Addition of **map table function** to optimize responsiveness
- Efforts to enhance reliability, shift to private cloud platform, reinforce collaboration with call centers



Modernization of legacy systems

- Reduction of costs and need for troubleshooting by **integrating servers and shifting to a private cloud platform**
- Shift from old communication standard to new
- Implementation of verification tests using the **5G** telecommunications network



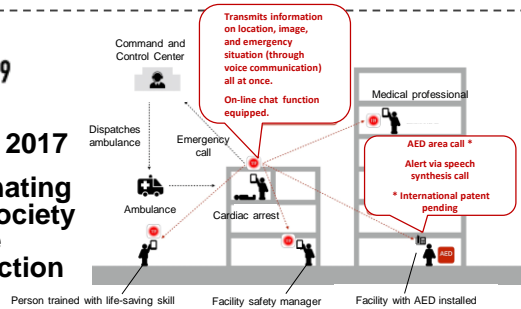
New joint projects



- Start of joint testing: September 2018
- Project with **Chikaku Inc.** to develop services that enhance communication among family members living far apart



- Start of collaboration: August 2017
- Project with **Coaido Inc.** originating in shared goal of realizing a society where more people's lives are saved by swift and effective action



ILS 2018

- **SECOM Collaboration Meet UP!** held to bring startups and major enterprises together
- Attended by multiple major enterprises, startups and government agencies from Japan and overseas
- Created a valuable opportunity to discuss new value and services sought by society



Creating a More Robust Infrastructure ② (Investing in Human Resources)

Tri-ion
(Passion, Emotion and Motivation)

- Companywide project that seeks to arouse employees' passion, encourage them to share their excitement—a powerful emotion—and bolster motivation and in so doing **nurture human resources who personify SECOM's Philosophy** to improve productivity

- Employee job satisfaction surveys seek to create a **virtuous circle** of sustainable growth rooted in employee job satisfaction; survey results are used to formulate various measures aimed at enhancing satisfaction

Employee satisfaction

Enhanced service quality

Customer satisfaction/appreciation

Trust of society

Secure competitive human resources

- Investments to help employees **fulfill their potential**
- Concrete plans to hire **people with specialized skills** are in progress

Human resources in the area of IT

Human resources in R&D

Global human resources

Initiatives to bolster productivity

- Use of **RPA** for various tasks to reduce employees' workload

Robotic process automation (RPA)
Use of software technologies to automate routine office work traditionally performed by humans using computers

- Efforts also under way to promote work style reforms, including through the introduction of a **telecommuting system** and use **teleconferencing**

Initiatives to reduce labor requirements

- Collaboration with **AEON DELIGHT** to make static guard services less labor-intensive since the second half of the fiscal year ended March 31, 2018, and full-scale implementation from the following year; use of AI technologies is also under consideration

SECOM

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AEON delight



- Efforts by SECOM Group company **Asahi Security Co., Ltd.**, to promote back office system (BOS) services to enhance the efficiency of retail outlets' back offices



Creating a More Robust Infrastructure ③ (Preparing for Tokyo 2020)

Security consortium

- The agreement was signed on April 3, 2018.
- Cooperation among multiple domestic security services companies will create an “All-Japan” security structure.
- We will play a leading role as joint representative and look forward to this new security joint venture becoming a key legacy of the Olympic and Paralympic Games Tokyo 2020.



Security contracts secured for related facilities

- We have secured contracts to provide security for 41 facilities in total, including the Olympic Stadium and the athletes' village.
- In addition to security services and planning, we are responsible for the provision of security during the construction period.



Creating a More Robust Infrastructure ④ (Preparing for Other Sporting Events)

Advanced security systems

- Verification and use of new security system at the Tokyo Marathon and other events
- Demonstration of the effectiveness of each system and ensure safety and security of sporting events
- Efforts to establish new approaches to security by leveraging achievements to date that employ advanced security systems

Security guard management system



©Tokyo Marathon Foundation

Wearable camera



©Tokyo Marathon Foundation

SECOM Aerostat



©Tokyo Marathon Foundation

Rugby World Cup 2019

- Named an official sponsor
- Responsible for security at all 15 matches in Tokyo and Kanagawa Prefecture, including the opening and final matches
- Committed to ensuring the success of the event, which will have a worldwide audience

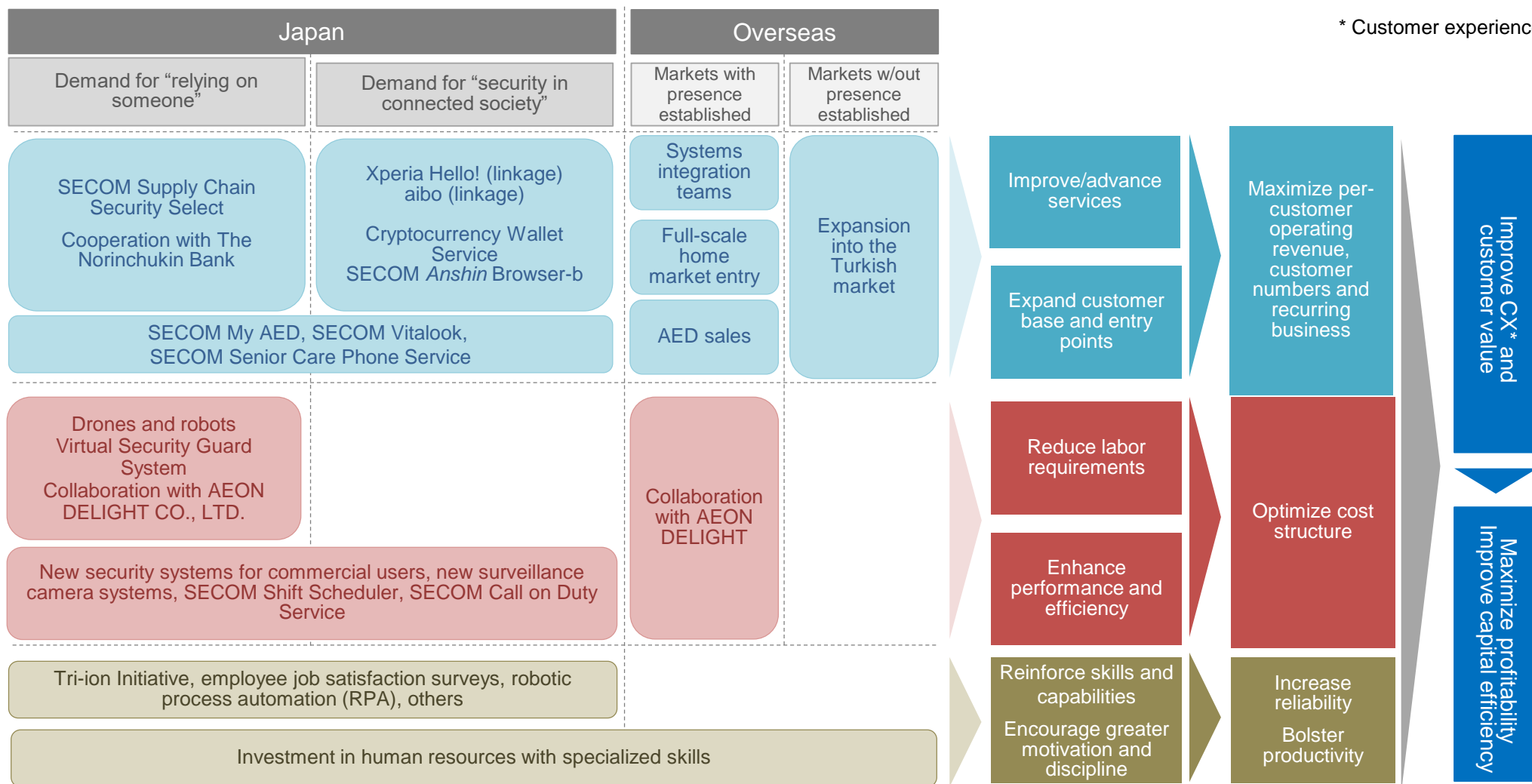


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Achieving the Goals of the SECOM Group Road Map 2022: Key Initiatives

* Customer experience



To facilitate implementation of the SECOM Group Road Map 2022, we are steadily promoting business strategies by making focused, forward-looking investments and at the same time creating and fostering new businesses and reinforcing existing businesses.

Social imperative: Acute shortage of labor in Japan and in the security services industry

Quantitative discrepancy between security needs and those responsible for providing services

Advanced technological capabilities

- Use of voice recognition, image recognition, voice synthesis, **AI and 5G** technologies
- High-reflectivity **mirror display devices**
- Life-size 3D **virtual characters**
- Equipped with camera and motion detection and other **sensors**

×

Human capabilities

- Image monitoring and response capabilities of personnel at **console/remote monitoring center**
- Dispatch of emergency **response personnel when appropriate**
- Skills unique to **seasoned professional static guards**
- Use of **extensive experience and know-how** accumulated through the provision of static guard services

Realize the efficient allocation of security guards and reinforce security at attended facilities and minimizing costs

SECOM will promote digitization and maximize state-of-the-art technologies while at the same time prioritizing human capabilities, its biggest strength, to enhance its specialized expertise and reliability. This approach will continue to position SECOM to resolve the concerns of customers by integrating advanced technologies and human resources.

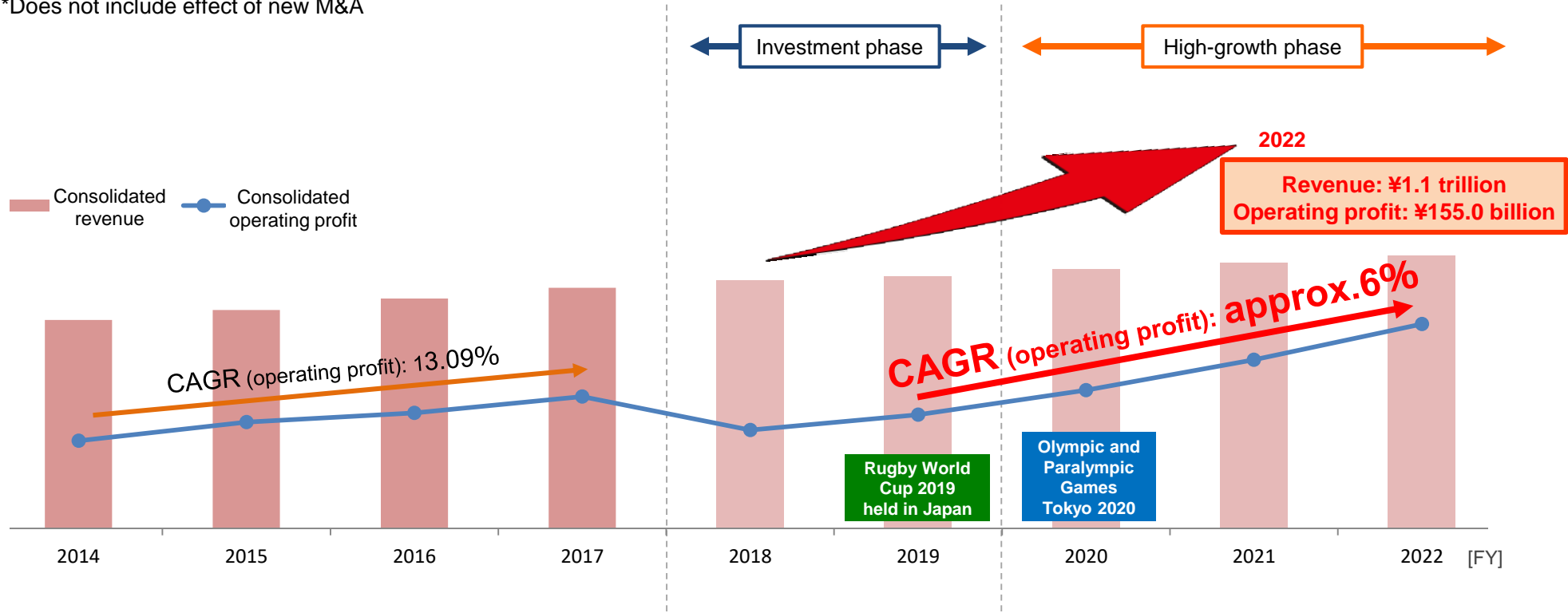
2022 Targets

Revenue **¥1.1 trillion**

Operating profit **¥155.0 billion**

ROE **Above 8%**

*Does not include effect of new M&A



**We will accelerate growth between now and 2022
with the aim of creating the *ANSHIN* Platform.**

By creating its *ANSHIN* Platform, SECOM aims to provide enduring peace of mind to an ever-changing society.

