

A Conversation Among Outside Directors

Three of SECOM’s outside directors sat down for a conversation, reflecting on Board of Directors meetings in the fiscal year ended March 31, 2024, and exchanging opinions on key events and core themes of the period, with a view to reinforcing corporate governance.



Miri Hara Outside Director Member of the Nomination and Compensation Committee Principal concurrent positions held at other organizations: Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc. Outside Director, Nippon Sanso Holdings Corporation	Takaharu Hirose Outside Director Chairperson of the Nomination and Compensation Committee Principal concurrent position held at another organization: Chairman and Representative Director, Monitas, Inc.	Hajime Watanabe Outside Director Member of the Nomination and Compensation Committee Principal concurrent position held at another organization: Chairman and Representative Director, Watanabe Pipe Co., Ltd.
---	--	---

Hopes for the new president going forward

Hirose In April 2024, Yasuyuki Yoshida assumed the presidency of SECOM, with the whole handover of the reins going very smoothly. Since then, he has demonstrated unique competence in his new role while remaining true to SECOM’s Philosophy, created by late founder Makoto Iida, and the corporate culture long cultivated by the Company.

Hara SECOM’s Philosophy emphasizes a refusal to be content with the status quo, that is, a determination to provide innovative services and systems that challenge accepted norms. I believe that Mr. Yoshida has the key qualities needed in a chief executive—namely, character, acumen and leadership skills—so I expect to see him fully exercise his potential to promote effective management

while remaining steadfast in refusing to be satisfied with the existing state of affairs.

Watanabe One thing I look forward to is seeing him galvanize the Company’s human resources. Progress has already been made, including the replacement of members of the Board of Directors, and I advised him that this is a chance to effect positive change and drive SECOM ahead by promoting organizational rejuvenation and bold appointments, among others.

Hirose The SECOM of today was built by Makoto Iida, who was an outstanding businessman. However, going forward it will be necessary to realize an even more effective organization by depending not only on the ability of a single

leader but also on the creation of a team that rallies the capabilities of a wide range of individuals. Mr. Yoshida has a

good sense of balance and I expect him to demonstrate tremendous competence working as part of such a team.

Enlivening discussions at meetings of the Board of Directors

Watanabe Speaking of teamwork, there have also been changes in the composition of the Board of Directors. We now have younger directors than we did in the past. The number of outside directors has increased from three to five, two of whom are women, up from one. The addition of an outside director with a global business perspective is another encouraging development given the Company’s plans for expanding global operations.

Hirose I do hope that having a greater number of directors enhances teamwork, but there’s always a risk that greater numbers will make it difficult for each individual to express their views. Looking ahead, we may need to create opportunities for more in-depth discussions by, for example, further probing particular themes.

Hara The mood of meetings has always been such that everyone feels able to speak freely, but I trust that the new directors will facilitate far-reaching discussions from new and different perspectives.

Watanabe Society continues to evolve at a dizzying pace, but I think SECOM has the ability to change at least as quickly. This is also what employees want, I believe, so I think it’s important for us to encourage more active discussion at Board of Directors’ meetings to further expedite transformation.

Hara Management agility is imperative. Just as an example, I regularly participate in roundtable discussions with female employees in various roles in the Company. In one of these discussions, the view was expressed that internal procedural manuals are too complicated and a cause of considerable anxiety, which I reported at the Board of Directors meeting in August 2023. A procedural manual improvement team was immediately established and six months later a system was launched for managing and enhancing the usability of manuals. Feedback from the front lines has been positive, with people saying that administrative procedures have become much more straightforward. It is my hope that the organization continues to be able to respond equally swiftly to whatever issues arise.

SECOM Group Road Map 2027: Expectations and challenges

Hirose SECOM employees are working as one to meet the targets of the SECOM Group Road Map 2027, and we anticipate significant growth in the fiscal year ending March 31, 2028. That said, the desire to ensure steady growth tends to engender an emphasis on stability, so I think it’s important for the new president to demonstrate leadership by showing a willingness to take chances and make bold decisions.

Watanabe SECOM has a diverse business portfolio, but I think it is possible to integrate its businesses more organically to expand business opportunities. Achieving the targets of the SECOM Group Road Map 2027 is contingent on the Company’s ability to further leverage its comprehensive capabilities. In the area of on-line security systems, the core of SECOM’s security services business, the Company has approximately 2,600 emergency depots across Japan with staff onsite around the clock. While this is certainly costly, it is what enables SECOM to provide its distinctive emergency response services. Even if the Company steps up its deployment of technology to bolster the efficiency of these services, full mechanization and automation will be

impossible. We thus recognize the need to boost capacity by invigorating workplaces and enhancing front-line capabilities. SECOM is a key component of the larger social infrastructure. As such, I feel it is important to ensure it is an organization for which people feel proud to work.

Hara The Company continues to promote the globalization of its operations, and in terms of human capital management I look forward to it also prioritizing the empowerment of women in the years ahead. The number of women in management positions has risen steadily in recent years, but further, dramatic measures may still be necessary to ensure female employees can enjoy long, active careers.

Hirose I commend SECOM for implementing forward-looking measures that benefit employees, including implementing three consecutive annual base salary increases and introducing a restricted stock compensation plan for executives and employees. I hope the Company continues to accelerate its efforts to drive corporate growth by encouraging employee growth.