

[TRANSLATION]

October 26, 2020

To whom it may concern:

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Notification concerning the Change of Consolidated Subsidiary (Share Transfer)

SECOM CO., LTD. hereby announces that it has reached an agreement for the transfer of all of the issued shares of its consolidated subsidiary, Secom Home Life Co., Ltd. (hereinafter, "Secom Home Life") to ANABUKI KOSAN INC. Accompanying this transfer, Secom Home Life and its subsidiary, Home Life Kanri Co., Ltd. (hereinafter, "Home Life Kanri") will no longer be consolidated subsidiaries of SECOM CO., LTD.

1. Reason for the Share Transfer

Since Eclairer Co., Ltd. (presently Secom Home Life) joined the SECOM group in 1997, with the aim of pursuing safety and peace of mind for living environment, which is one of the necessities of life, "clothing, food and housing," we have developed and supplied condominiums placing safety and peace of mind as the highest priority, capitalizing our group business network. Also, Home Life Kanri, a subsidiary of Secom Home Life, has delivered safety and peace of mind for living environment through the provision of management services for buildings and condominiums with "SECOM's Quality Standard".

Recently, SECOM CO., LTD. concluded the transfer of the businesses of Secom Home Life and Home Life Kanri to a real estate company is the best option for further growth of both companies and decided to transfer all of the shares of Secom Home Life to ANABUKI KOSAN INC.

2. Outline of the Subsidiary Subject to Change

| | |
|--------------------------------------|--|
| (1) Name | Secom Home Life Co., Ltd. |
| (2) Address | 19-12, Sendagaya 4-chome, Shibuya-ku, Tokyo |
| (3) Name and Title of Representative | President and Representative Director, Hideichi Yamashita |
| (4) Business Description | Development, sales, brokerage and renovation of condominiums |
| (5) Capital | 3,700 million yen (as of June 30, 2020) |

| | | | |
|--|----------------------------|---|--------------------|
| (6) Date of Establishment | May 23, 1966 | | |
| (7) Major Shareholders and Shareholding Ratio | SECOM CO., LTD. 100% | | |
| (8) Relationship between SECOM CO., LTD. and Secom Home Life | Capital Relationship | SECOM CO., LTD. holds 100% of the shares of Secom Home Life. Secom Home Life holds 100% of the shares of Home Life Kanri. | |
| | Personnel Relationship | Six of directors and audit & supervisory board members of Secom Home Life are employees of SECOM CO., LTD. | |
| | Transactional Relationship | SECOM CO., LTD. provides security and other services to Secom Home Life. | |
| (9) Business Performance and Financial Conditions for the Last Three Years (In millions of yen) | | | |
| Fiscal Years Ended | March 31, 2018 | March 31, 2019 | March 31, 2020 |
| Net Assets | △1,918 (△767) | △1,699 (△370) | △900 (608) |
| Total Assets | 55,897 (58,226) | 46,693 (49,339) | 37,650 (40,457) |
| Net Assets Per Share of Common Stock (yen) | △415.74 | △412.78 | △401.97 |
| Revenue | 17,600 (25,819) | 17,799 (26,002) | 21,054 (29,414) |
| Operating Profit | 771 (947) | 176 (452) | 768 (1,046) |
| Ordinary Profit | 797 (974) | 204 (480) | 821 (1,099) |
| Net Income | 779 (893) | 219 (397) | 798 (979) |
| Net Income Per Share of Common Stock (yen) | 10.54 | 2.96 | 10.81 |

Secom Home Life does not prepare consolidated management indices, while Home Life Kanri is its subsidiary. Therefore, above table shows non-consolidated management indices of Secom Home Life and the amounts in brackets indicate simple aggregation of Secom Home Life and Home Life Kanri.

3. Outline of the Company Purchasing the Shares

| | | |
|---|---|---|
| (1) Name | ANABUKI KOSAN INC. | |
| (2) Address | 7-12 Kajiyamachi, Takamatsu-shi, Kagawa | |
| (3) Name and Title of Representative | President and Representative Director, Tadatsugu Anabuki | |
| (4) Business Description | Real estate-related businesses, employment agency services, facility management and medical care services | |
| (5) Capital | 755 million yen (as of June 30, 2020) | |
| (6) Date of Establishment | May 25, 1964 | |
| (7) Consolidated Net Assets | 27,696 million yen (as of June 30, 2020) | |
| (8) Consolidated Total Assets | 87,226 million yen (as of June 30, 2020) | |
| (9) Major Shareholders and Shareholding Ratio (as of June 30, 2020) | Anabuki Housing Service Co., Ltd. | 47.77% |
| | Tadatsugu Anabuki | 8.23% |
| | ANABUKI KINUE TADATSUGU EDUCATION FUND | 6.56% |
| | The Master Trust Bank of Japan, Ltd. (Trust Account) | 1.75% |
| | Kaoru Anabuki | 1.46% |
| | Anabuki Kosan Employee Stock Ownership Association | 1.32% |
| | Hitomi Tanaka | 1.12% |
| | KK Wakatake | 0.96% |
| | Japan Trustee Services Bank, Ltd. (Trust Account 5) | 0.79% |
| The Chugoku Bank, Ltd. | 0.67% | |
| (10) Relationship between SECOM CO., LTD. and ANABUKI KOSAN INC. | Capital Relationship | There is no capital relationship to be mentioned between SECOM CO., LTD. and ANABUKI KOSAN INC. |
| | Personnel Relationship | There is no personnel relationship to be mentioned between SECOM CO., LTD. and ANABUKI KOSAN INC. |
| | Transactional Relationship | There is no transactional relationship to be mentioned between SECOM CO., LTD. and ANABUKI KOSAN INC. |
| | Related Party Relationship | ANABUKI KOSAN INC. is not a related party of SECOM CO., LTD. |

4. The Number of Transferred Shares, Transfer Price and Status of Shareholding before and after the Transfer

| | |
|---|---|
| (1) The Number of Share Held before the Transfer | Common share: 73,886,277 shares Class share: 2 shares (The number of voting rights: 73,888) (Ratio of ownership voting rights: 100%) |
| (2) The Number of Share to be Transferred | Common share: 73,886,277 shares Class share: 2 shares (The number of voting rights: 73,888) |
| (3) The Transfer Price | The transfer price will not be disclosed due to the duty of confidentiality among the parties |
| (4) The Number of Share to be Held after the Transfer | - (The number of voting rights: -) (Ratio of ownership voting rights: - %) |

5. Schedule for the Share Transfer

| | |
|---|-----------------------------|
| (1) Execution of Share Transfer Agreement | October 26, 2020 |
| (2) Closing Date | December 22, 2020 (planned) |

6. Future Prospects

Detailed effects of this transfer on the consolidated financial performance and position will be reviewed and disclosed in a timely manner.

(Reference)

Projections for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (announced on August 12, 2020) and the Consolidated Financial Results for the Fiscal Year Ended March 31, 2020

(In millions of yen))

| | Consolidated Revenue | Consolidated Operating Profit | Consolidated Ordinary Profit | Net Income Attributable to Owners of the Parent |
|---|----------------------|-------------------------------|------------------------------|---|
| Projected Financial Results for the Fiscal Year Ending March 31, 2021 | 1,034,000 | 124,000 | 130,000 | 79,000 |
| Actual Financial Results for the Fiscal Year Ended March 31, 2020 | 1,060,070 | 142,858 | 151,356 | 89,080 |

Note: This document is an English translation of Notification concerning the Change of Consolidated Subsidiary (Share Transfer). SECOM CO., LTD provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.