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QUARTERLY FINANCIAL REPORT
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2021
 (Based on JAPANESE GAAP) (Consolidated)

February 10, 2022

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Scheduled date of filing Quarterly Securities Report: February 14, 2022

Scheduled date of dividend payout: -

Preparation of quarterly supplementary materials: Applicable

Holding of quarterly results information meeting: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine-month period ended December 31, 2021 (April 1, 2021 – December 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine-month period ended								
December 31, 2021	766,320	1.8	109,871	9.4	117,383	16.3	73,373	35.5
December 31, 2020	753,080	(1.7)	100,416	(1.8)	100,900	(8.9)	54,138	(20.2)

Note: Comprehensive income Nine-month period ended December 31, 2021: JPY 85,997 million [38.9%]
 Nine-month period ended December 31, 2020: JPY 61,927 million [(14.5%)]

	Basic net income per share	Diluted net income per share
Nine-month period ended	Yen	Yen
December 31, 2021	335.78	-
December 31, 2020	248.05	-

Note: There is no diluted net income per share as there are no shares with dilutive effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
December 31, 2021	1,871,584	1,234,971	59.1	5,039.35
March 31, 2021	1,864,179	1,229,824	58.1	4,958.18

Reference: Equity

As of December 31, 2021 : JPY 1,105,641 million

As of March 31, 2021 : JPY 1,082,179 million

Note: Equity is calculated by deducting noncontrolling interests from net assets. Net assets per share is calculated by dividing equity by the number of common shares outstanding, excluding treasury stock, as of each period-end.

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	85.00	—	85.00	170.00
Fiscal year ending March 31, 2022	—	90.00	—		
Fiscal year ending March 31, 2022 (Projected)				90.00	180.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Projections for the consolidated financial results for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages indicate changes from the results of the corresponding periods of the previous year.)

	Projected revenue		Projected operating profit		Projected ordinary profit		Projected net income attributable to owners of the parent		Projected basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	1,052,000	1.6	139,500	1.9	145,000	4.3	86,500	15.8	395.45

Note 1: Revision of projections for the consolidated financial results from those most recently disclosed: None

Note 2: Projected basic net income per share for the fiscal year ending March 31, 2022 are calculated based on the number of average common shares outstanding over the nine-month period ended December 31, 2021, assuming that it remains the same until March 31, 2022.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanied with changes in scope of consolidation): None
- (2) Adoption of unique accounting treatment for preparation of consolidated quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates, and restatement
 - (i) Changes in accounting policies associated with amendment of accounting standards: Applicable
 - (ii) Other changes in accounting policies: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For information in detail, please refer to “2. Consolidated Quarterly Financial Statements (3) Notes Regarding the Consolidated Quarterly Financial Statements [Changes in Accounting Policies]” on page 8 of the Quarterly Financial Report (appendices).

- (4) Number of common shares outstanding

- (i) Number of common shares outstanding, including treasury stock

As of December 31, 2021	233,298,049 shares
As of March 31, 2021	233,295,926 shares

- (ii) Number of shares of treasury stock

As of December 31, 2021	13,896,369 shares
As of March 31, 2021	15,034,565 shares

- (iii) Number of average common shares outstanding during the period

The nine-month period ended December 31, 2021	218,515,481 shares
The nine-month period ended December 31, 2020	218,261,318 shares

Note on status of audit procedures

This report is excluded from the scope of audit procedures.

Note on appropriate use of projections for the financial results; other special items:

The forward-looking statements including the future performance described in this document are provided based on both all information available at this moment and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred. For matters regarding assumptions on financial projections and notes for the use of financial projections, please refer to “1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2021 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2021

(1) Qualitative Information Regarding Consolidated Financial Results

During the nine-month period ended December 31, 2021, the Japanese economy continued to show movements of recovery in some areas such as corporate earnings and private consumption as the severe situation due to COVID-19 gradually eased. While economic and social activities move toward normalization, continual attention has been required to the effects of the infectious disease including variants on the domestic and overseas economy as well as the effects of fluctuations in the financial and capital markets.

Under these circumstances, we have been actively working to implement initiatives to achieve the SECOM Group's Vision for 2030, formulated with an aim to establish the "Social System Industry," which delivers safety and peace of mind, as well as makes life more comfortable and convenient, and the SECOM Group Road Map 2022, in which we clarified what we should do now to achieve the vision.

In November 2021, we began to offer a new smart and compact keyless system that allows users to choose their preferred access method from PIN code, IC card, and smartphone app, and can be easily installed without any modification to the door. In December, we expanded our lineup of AEDs (automated external defibrillator), a device to save the lives of cardiac arrest patients, by launching AED 360P, an auto-shock AED that automatically delivers an electric shock without the need to press the shock button. In the period under review, we continued to provide meticulous and seamless services through various initiatives to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind.

In December 2020, we transferred all of the issued shares of Secom Home Life Co., Ltd., which had been a consolidated subsidiary, and excluded it from the scope of consolidation. As a result, the segment name was changed from "real estate and other services" to "other services" from the three-month period ended June 30, 2021. There is no change in the segment classification as a result of this change regarding the segment name noted above.

Effective from the three-month period ended June 30, 2021, we have reviewed the segment classifications from the perspective of similarity and relevance of business activities in order to provide more appropriate information, and have reclassified some businesses previously included in the security services segment to the BPO and ICT services segment and the other services segment. For comparisons with the same period of the previous fiscal year, information prepared in accordance with the classification after the change is presented and analyzed.

Consolidated revenue for the nine-month period ended December 31, 2021 was 766.3 billion yen, up 1.8% from the previous corresponding period, due to the increases in revenue in all reportable segments, despite the effect of the decrease in revenue by 13.1 billion yen owing to the exclusion of Secom Home Life Co., Ltd. and its subsidiary from the scope of consolidation in December 2020. Consolidated operating profit increased by 9.4% to 109.8 billion yen, attributable to the effect of increases in operating profit in security services, fire protection services, medical services and insurance services. Consolidated ordinary profit increased by 16.3% to 117.3 billion yen, mainly due to the recognition of net gains of 2.1 billion yen on private equity investment in the U.S. etc. in the nine-month period ended December 31, 2021, compared with net losses of 4.1 billion yen in the previous corresponding period, in non-operating income/expenses. Net income attributable to owners of the parent increased by 35.5% to 73.3 billion yen, mainly attributable to the recognition of amortization of goodwill of 4.7 billion yen and net losses of 2.9 billion yen on sales of investment securities in subsidiaries and affiliates in the previous corresponding period in extraordinary losses. For the nine-month period ended December 31, 2021, revenue, operating profit, ordinary profit and net income attributable to the owners of the parent reached a record-high.

Segment information is as follows.

In the security services segment, revenue increased by 0.4% to 414.5 billion yen, mainly due to the brisk sales of on-line security systems for commercial and residential use, as well as the increase in revenue in static guard services, despite the effect of the decrease in revenue by 5.5 billion yen owing to the exclusion of a subsidiary of Secom Home Life Co., Ltd. from the scope of consolidation. Operating profit rose by 2.8% to 86.8 billion yen.

In the fire protection services segment, revenue increased by 10.0% to 102.5 billion yen, mainly attributable to the increase in revenue in fire alarm systems provided by Nohmi Bosai Ltd. Operating profit was up by 32.6% to 6.9 billion yen, chiefly owing to the concentration of projects with high profitability. Revenue tends to increase toward the end of the fiscal year, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue increased by 4.0% to 55.5 billion yen, mainly due to the increases in sales of medical consumables and in revenue in Takshasila Hospitals Operating Pvt. Ltd., a general hospital operating company in India. Operating profit increased by 20.3% to 4.2 billion yen.

In the insurance services segment, revenue increased by 5.8% to 38.8 billion yen, mainly due to the firm increase in sales of MEDCOM, an unrestricted cancer treatment policy provided by Secom General Insurance Co., Ltd. Operating profit was up by 215.9% to 9.2 billion yen, largely attributable to the decrease in losses from major disasters and the recognition of reversal of policy reserve.

In the geospatial information services segment, revenue increased by 2.5% to 38.2 billion yen, chiefly owing to the rise in revenue from the domestic public sector, with the increases in surveying services using airborne laser and vehicle-mounted laser and in other services. Operating profit decreased by 33.9% to 1.4 billion yen, mainly attributable to the inclusion of head office relocation expenses and the rise in personnel expenses resulting from an increase in the number of employees, as well as the reversal of the provision for loss on construction contracts of large-scale projects in the international division in the previous corresponding period. Revenue tends to concentrate toward the end of the fiscal year, due to the fact that deliveries of public-sector contracts, which is the primary market for this segment, are mainly made at the end of March.

In the BPO and ICT services segment, revenue increased by 2.7% to 84.5 billion yen, chiefly owing to the increases in revenue in TMJ, Inc., a provider of BPO services including contact centers and back office services, and the data center business. Operating profit was down by 5.4% to 9.4 billion yen, largely attributable to the increases in cost ratio and in selling, general and administrative expenses.

In the other services segment, revenue decreased by 14.3% to 31.9 billion yen, mainly due to the effect of the decrease in revenue by 7.5 billion yen owing to the exclusion of Secom Home Life Co., Ltd. from the scope of consolidation. Operating profit rose by 5.8% to 4.3 billion yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Consolidated Balance Sheets

Total assets as of December 31, 2021 amounted to 1,871.5 billion yen, 0.4% or 7.4 billion yen higher than that at the end of the previous fiscal year. Total current assets, at 963.5 billion yen, were up 2.3% or 21.5 billion yen. This was largely attributable to the increase in cash deposits for armored car services by 24.0% or 33.3 billion yen to 172.2 billion yen. Total fixed assets, at 908.0 billion yen, were down 1.5% or 14.1 billion yen from the end of the previous fiscal year. This was mainly attributable to the decrease

in other of investments and others by 13.7% or 7.3 billion yen to 46.2 billion and intangible assets by 4.4% or 5.2 billion yen to 115.0 billion yen.

Total liabilities amounted to 636.6 billion yen, 0.4% or 2.2 billion yen higher than that at the end of the previous fiscal year. Total current liabilities amounted to 357.9 billion yen, down 0.9% or 3.2 billion yen, owing to the decreases in accrued income taxes by 64.5% or 15.1 billion yen to 8.3 billion yen. Long-term liabilities increased by 2.0% or 5.4 billion yen to 278.7 billion yen, owing to the recognition of long-term deferred revenue of 16.6 billion yen, despite the decrease in guarantee deposits received by 23.2% or 7.1 billion yen to 23.5 billion yen.

Total net assets amounted to 1,234.9 billion yen, 0.4% or 5.1 billion yen higher than that at the end of the previous fiscal year, mainly due to the increases in retained earnings by 2.4% or 24.4 billion yen and foreign currency translation adjustments by 41.3% or 7.0 billion yen, despite the decreases in capital surplus by 14.0% or 11.4 billion yen and noncontrolling interests by 12.4% or 18.3 billion yen.

(3) Qualitative Information Regarding Consolidated Financial Projections

The consolidated financial results for the nine-month period ended December 31, 2021 has continued to show a steady growth as in the six-month period ended September 30, 2021. As a result, revenue, operating profit, ordinary profit and net income attributable to owners of the parent reached a record-high. Although the projections for the fiscal year ending March 31, 2022 have not been changed from the figures announced on May 13, 2021 at the moment, we will continue to aim for record-high profits for the fiscal year. Any revisions in the projections that we deem necessary will be disclosed promptly.

(Notes for financial projections)

Projections for the consolidated financial results for the fiscal year ending March 31, 2022, are based on management's assumptions in light of information currently available. As actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred, you should refrain from making an investment decision by solely relying on these projections. Such factors include, but are not limited to, changes in economic conditions affecting our group's operations, market trends, legislative changes, occurrences of natural disasters, recalls of products sold and the results of contingency.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

	(In millions of yen)	
	March 31, 2021	December 31, 2021
ASSETS:		
Current assets:		
Cash on hand and in banks	499,247	488,138
Cash deposits for armored car services	138,889	172,229
Notes and accounts receivable, trade	132,886	—
Notes and accounts receivable - trade and contract assets	—	125,756
Due from subscribers	39,980	40,017
Short-term investments	21,579	27,633
Lease receivables and investment in leased assets	41,511	38,428
Merchandise and products	14,289	15,401
Real estate inventories	186	2,393
Work in process	4,880	5,273
Costs on uncompleted construction contracts	7,524	—
Raw materials and supplies	11,003	12,772
Short-term loans receivable	3,053	2,832
Other	28,714	34,540
Allowance for doubtful accounts	(1,715)	(1,867)
Total current assets	942,033	963,549
Fixed assets:		
Tangible assets:		
Buildings and improvements, net	152,770	152,353
Security equipment and control stations, net	74,704	75,171
Land	120,876	123,982
Other, net	43,424	40,138
Total tangible assets	391,775	391,645
Intangible assets	120,277	115,033
Investments and others:		
Investment securities	272,123	273,178
Long-term loans receivable	33,301	30,339
Net defined benefit asset	39,532	42,032
Deferred income taxes	25,085	22,989
Other	53,588	46,261
Allowance for doubtful accounts	(13,538)	(13,447)
Total investments and others	410,093	401,354
Total fixed assets	922,145	908,034
Total assets	1,864,179	1,871,584

(1) Consolidated Balance Sheets (Continued)

	(In millions of yen)	
	March 31, 2021	December 31, 2021
LIABILITIES:		
Current liabilities:		
Notes and accounts payable, trade	42,858	39,695
Bank loans	33,806	29,078
Current portion of straight bonds	439	414
Lease obligations	4,730	4,727
Payables - other	42,215	41,314
Accrued income taxes	23,440	8,329
Accrued consumption taxes	12,652	10,299
Accrued expenses	7,828	8,177
Deposits received for armored car services	119,334	153,033
Deferred revenue	30,192	39,238
Accrued bonuses	18,298	7,048
Provision for losses on construction contracts	1,820	2,040
Other	23,488	14,501
Total current liabilities	361,106	357,901
Long-term liabilities:		
Straight bonds	3,899	3,691
Long-term loans	10,444	12,568
Lease obligations	12,854	13,317
Guarantee deposits received	30,694	23,584
Deferred income taxes	7,314	7,890
Accrued retirement benefits for directors and audit and supervisory board members	793	815
Net defined benefit liability	22,098	22,112
Long-term deferred revenue	—	16,652
Investment deposits by policyholders, unearned premiums and other insurance liabilities	181,014	173,998
Other	4,134	4,078
Total long-term liabilities	273,248	278,711
Total liabilities	634,355	636,612
NET ASSETS:		
Shareholders' equity:		
Common stock	66,410	66,419
Capital surplus	81,801	70,324
Retained earnings	998,405	1,022,866
Common stock in treasury, at cost	(73,785)	(68,201)
Total shareholders' equity	1,072,832	1,091,408
Accumulated other comprehensive income (losses):		
Unrealized gains on securities	22,122	20,757
Deferred losses on hedges	(11)	(7)
Foreign currency translation adjustments	(17,011)	(9,977)
Remeasurements of defined benefit plans, net of taxes	4,247	3,461
Total accumulated other comprehensive income (losses)	9,346	14,232
Noncontrolling interests	147,645	129,330
Total net assets	1,229,824	1,234,971
Total liabilities and net assets	1,864,179	1,871,584

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(In millions of yen)	
	Nine-month period ended December 31, 2020	Nine-month period ended December 31, 2021
Revenue	753,080	766,320
Costs of revenue	509,239	512,800
Gross profit	243,840	253,520
Selling, general and administrative expenses	143,424	143,648
Operating profit	100,416	109,871
Non-operating income	8,834	11,318
Non-operating expenses	8,350	3,806
Ordinary profit	100,900	117,383
Extraordinary profit	196	729
Extraordinary losses	8,897	1,074
Income before income taxes	92,199	117,038
Income taxes - current	26,516	28,114
Income taxes - deferred	4,427	8,005
Total income taxes	30,944	36,120
Net income	61,255	80,917
Net income attributable to noncontrolling interests	7,116	7,544
Net income attributable to owners of the parent	54,138	73,373

Consolidated Statements of Comprehensive Income

	(In millions of yen)	
	Nine-month period ended December 31, 2020	Nine-month period ended December 31, 2021
Net income	61,255	80,917
Other comprehensive income (losses):		
Unrealized gains (losses) on securities	5,595	(1,579)
Foreign currency translation adjustments	(3,447)	6,337
Remeasurements of defined benefit plans, net of taxes	(341)	(721)
Share of other comprehensive income (losses) of affiliated companies accounted for under the equity method	(1,133)	1,043
Total other comprehensive income (losses)	672	5,079
Comprehensive income	61,927	85,997
Comprehensive income attributable to:		
Owners of the parent company	54,897	78,259
Noncontrolling interests	7,029	7,737

(3) Notes Regarding the Consolidated Quarterly Financial Statements

[Notes Regarding the Assumption of Going Concern]

Not applicable.

[Notes in the Event of Significant Changes in the Amount of Shareholders' Equity]

On July 15, 2021, the Company acquired additional shares of a consolidated subsidiary Secom Joshinetsu Co., Ltd. In addition, with an effective date of November 1, 2021, the Company implemented a share exchange in which SECOM became a wholly owning parent company in share exchange and Secom Joshinetsu became a wholly owned subsidiary in share exchange. As a result, capital surplus amounted to 70,324 million yen as of December 31, 2021, a decrease of 11,477 million yen during the nine-month period ended December 31, 2021.

[Changes in Accounting Policies]

(Application of Accounting Standard for Revenue Recognition, etc.)

From the beginning of the three-month period ended June 30, 2021, we have applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020; hereinafter, “Accounting Standard for Revenue Recognition”), etc. Accordingly, we recognize revenue to describe the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The major changes due to the application of Accounting Standard for Revenue Recognition etc. are as follows:

(1) Initial lump sum revenue related to service contracts, etc.

With respect to the initial lump-sum revenue from some service contracts, etc., the Company previously recognized revenue at the time of acceptance, but has changed to recognize the revenue over a certain period when the customer receives the benefits as performance obligations are satisfied.

(2) Revenue recognition related to construction contracts

For construction contracts, the Company previously applied the percentage-of-completion method when the outcome of the construction activity is deemed certain. However, when control over goods or services is to be transferred to the customer over a certain period of time, the Company has changed the method to one in which revenue is recognized over a certain period of time as the performance obligation to transfer the goods or services to the customer is satisfied. The Company measures the degree of progress toward satisfaction of performance obligations based on the percentage of construction costs incurred by the end of each reporting period to the total construction costs expected to be incurred. In addition, when the degree of progress toward satisfying the performance obligation cannot be reasonably estimated in the early stages of a contract but the costs to be incurred are expected to be recovered, the Company recognizes revenue under the cost recovery method.

The application of the Accounting Standard for the Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the current fiscal year, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy has been applied from the beginning balance. In addition, the Company has applied the method prescribed in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition. The cumulative effect, after accounting procedures for contract changes made prior to the beginning of the first quarter of the current fiscal year based on the contract terms after

reflecting all contract changes, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the current fiscal year.

As a result, for the nine-month period ended December 31, 2021, revenue increased by 2,293 million yen, cost of revenue increased by 2,928 million yen, operating profit decreased by 634 million yen, non-operating expenses decreased by 344 million yen, ordinary profit and income before income taxes decreased by 290 million yen, respectively. The balance of retained earnings at the beginning of current period decreased by 10,717 million yen.

Due to the application of the Revenue Recognition Accounting Standard, “Notes and accounts receivable, trade,” which was a part of “Current assets” in the consolidated balance sheet for the previous fiscal year, is included in “Notes and accounts receivable - trade and contract assets” from the first quarter of the current fiscal year. In addition, a part of “Guarantee deposits received” which was included in “Long-term liabilities” is included in “Long-term deferred revenue” from the first quarter of the current fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, the results for the previous fiscal years are not restated using the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 28-15 of “Accounting Standards for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information on breakdown of revenue arising from contracts with customers for the nine-month period ended December 31, 2020 is not shown.

(Application of Accounting Standard for Fair Value Measurement, etc.)

From the beginning of the three-month period ended June 30, 2021, we have applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019; hereinafter, “Fair Value Accounting Standards”), etc. In accordance with the transitional treatment set forth in Paragraph 19 of Fair Value Accounting Standards and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), we have applied prospectively new accounting policies prescribed by Fair Value Accounting Standards, etc. Consequently, from the three-month period ended June 30, 2021, we have adopted the valuation method based on the market price on the closing date of stocks and beneficiary securities with market value that are among other securities, from the previous method that was based on the average market price over a one-month period prior to the closing date.

[Additional Information]

There have been no material changes to the assumptions, including the future spread of COVID-19 and the timing of its containment, described in Additional Information “Accounting estimates of the impact of the spread of COVID-19” in the Annual Securities Report for the year ended March 31, 2021.

Reference

(Additional Information in the Annual Securities Report for the year ended March 31, 2021)

“Accounting estimates of the impact of the spread of COVID-19”

The SECOM Group has made accounting estimates for impairment of fixed assets and allowance for doubtful accounts based on the assumption that the impact of the spread of COVID-19 will continue for at least a certain period of time. At this point in time, we expect that there will be no material impact on the consolidated financial statements. However, since there are a number of uncertainties regarding the impact of the spread of COVID-19, there may be a significant impact on the financial position and operating results of the SECOM Group in the next fiscal year and beyond.

[Segment Information, etc.]

Segment Information

I. Nine-month Period Ended December 31, 2020

1. Information about Amounts of Revenue and Profit or Loss by Reportable Segments

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geospatial information services
Revenue:					
Customers	412,664	93,269	53,402	36,760	37,356
Intersegment	8,622	2,245	156	2,359	161
Subtotal	421,287	95,514	53,559	39,119	37,517
Segment profit	84,434	5,273	3,509	2,943	2,164

	Reportable segments		Real estate and other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Customers	82,376	715,829	37,250	753,080	—	753,080
Intersegment	7,580	21,125	908	22,034	(22,034)	—
Subtotal	89,956	736,955	38,159	775,114	(22,034)	753,080
Segment profit	10,027	108,352	4,127	112,480	(12,064)	100,416

Note 1: Real estate and other services is an operating segment not designated as a reportable segment, and comprises real estate development and sales, real estate leasing, construction and installation services, etc.

Note 2: Adjustment of segment profit includes intersegment elimination of (384) million yen and corporate expenses not allocated to each reportable segment of 12,449 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

II. Nine-month Period Ended December 31, 2021

1. Information about Amounts of Revenue and Profit or Loss by Reportable Segments and Information on Breakdown of Revenue

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geospatial information services
Revenue:					
Revenue from security contracts	357,364	—	—	—	—
Other	50,427	102,583	50,047	469	38,293
Revenue from contracts with customers	407,792	102,583	50,047	469	38,293
Other revenue	6,712	—	5,473	38,429	—
Customers	414,504	102,583	55,520	38,898	38,293
Intersegment	8,785	2,422	154	2,407	141
Subtotal	423,289	105,005	55,675	41,306	38,435
Segment profit	86,825	6,991	4,221	9,299	1,430

	Reportable segments		Other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Revenue from security contracts	—	357,364	—	357,364	—	357,364
Other	84,599	326,420	19,366	345,787	—	345,787
Revenue from contracts with customers	84,599	683,785	19,366	703,152	—	703,152
Other revenue	—	50,615	12,553	63,168	—	63,168
Customers	84,599	734,400	31,920	766,320	—	766,320
Intersegment	6,370	20,282	921	21,203	(21,203)	—
Subtotal	90,970	754,682	32,841	787,523	(21,203)	766,320
Segment profit	9,490	118,258	4,368	122,626	(12,755)	109,871

Note 1: Other services is an operating segment not designated as a reportable segment, and comprises real estate leasing, construction and installation services, etc.

Note 2: Adjustment of segment profit includes intersegment elimination of (183) million yen and corporate expenses not allocated to each reportable segment of 12,938 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

Note 3: Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

2. Events related to Changes in Reportable Segments, etc.

In December 2020, we transferred all of the issued shares of Secom Home Life Co., Ltd., which had been a consolidated subsidiary, and excluded it from the scope of consolidation. As a result, the segment name was changed from "real estate and other services" to "other services" from the three-month period ended June 30, 2021. There is no change in the segment classification as a result of this change regarding the segment name noted above.

Effective from the three-month period ended June 30, 2021, we have reviewed the segment classifications from the perspective of similarity and relevance of business activities in order to provide more appropriate

information, and have reclassified some businesses previously included in the security services segment to the BPO and ICT services segment and the other services segment. The segment information of the nine-month period ended December 31, 2020 is based on the classification after the change.

Since we have applied the Accounting Standard for Revenue Recognition, etc. effective from the beginning of the three-month period ended June 30, 2021 and changed the accounting method for revenue recognition, as stated in the “Changes in accounting policies,” the method for calculating profit or loss in the business segments are changed as well. As a result of this change, compared with the previous method, revenue in the security services segment for the nine-month period ended December 31, 2021 decreased by 291 million yen and segment profit decreased by 860 million yen, while revenue in the fire protection services segment increased by 2,316 million yen and segment profit decreased by 69 million yen.

[Significant Subsequent Events]

(Repurchase of the Company’s Own Shares)

The Board of Directors of the Company, at its meeting held on February 10, 2022, resolved matters regarding the repurchase of its own shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of such Act.

1. Reason for Repurchase

The Company strives to increase its corporate value by conducting business with a focus on all stakeholders in order to realize sustainable growth. The Company will enhance shareholder returns and improve capital efficiency through flexible repurchases of its own shares, comprehensively taking into account, among others, growth investments, dividend levels, capital efficiency, and share price levels.

2. Details of Repurchase

(1) Class of shares to be repurchased	Shares of common stock of the Company
(2) Total number of shares that may be repurchased	5,000,000 shares (maximum) (2.28% of total issued shares (excluding treasury shares))
(3) Total repurchase price	JPY 30,000,000,000 (maximum)
(4) Repurchase period	From February 14, 2022 to June 23, 2022
(5) Repurchase method	Market purchase on the Tokyo Stock Exchange