

Note: This document is an English translation of Notification concerning the Acquisition of SENON LIMITED Shares. SECOM CO., LTD. provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

[TRANSLATION]

May 12, 2022

To whom it may concern:

Company Name: SECOM CO., LTD.
Name of Representative: Ichiro Ozeki
President and Representative Director
Securities Code: 9735 TSE Prime Market
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Notification concerning the Acquisition of SENON LIMITED Shares

SECOM CO., LTD. (“SECOM”) today decided to acquire 55.1% (7,612,000 shares) of the issued shares of common stock of SENON LIMITED (“SENON”) and signed a stock purchase agreement.

1. Reason for the Acquisition

SENON provides a wide range of security services nationwide as a total security company. Its business includes security guard services, electronic security services, airport security services, and vehicle fleet operation services. Regarding the security guard services, SENON especially has its strengths in large commercial complex and building security services. As for the airport security business, SENON provides services at 35 airports countrywide, including Tokyo International Airport and Narita International Airport; SENON has been one of the best leading companies in the industry in terms of the number of airport clients and sales.

SECOM has been working on utilizing technology to improve the quality of security operations, including its recent launches of “Virtual Security Guard System” and a security robot “cocobo”. SECOM continues to acquire expertise through partnerships with other companies and through initiatives in the group companies.

SECOM believes that SENON’s strengths as a total security company combined with SECOM’s technological advantages and expertise will enable us to provide more customers with higher quality and optimized security services.

SECOM continues to accelerate its R&D initiatives to leverage human’s strengths and expand its business, including online security systems, static guard services, and armored car services, as a total security company, considering that the complementary needs for static guarding and online security systems will grow further.

2. Outline of a Subsidiary to be Acquired

a. Name	SENON LIMITED	
b. Address	1-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo	
c. Name and Title of Representative	President and Representative Director, Hironobu Koyano	
d. Business Description	Security	
e. Capital	100 million yen	
f. Date of Establishment	May 17, 1969	
g. Major Shareholders and Shareholding Ratio	KOYANO PLANNING INCORPORATED	25.4%
	Mitsui Fudosan Co., Ltd.	20.7%
h. Relationship between SECOM and SENON	Capital Relationship	There is no capital relationship to be mentioned between SECOM and SENON. There is also no capital relationship to be specially mentioned between affiliated parties and companies of SECOM and those of SENON.
	Personnel Relationship	There is no personal relationship to be mentioned between SECOM and SENON. There is also no personal relationship to be specially mentioned between affiliated parties and companies of SECOM and those of SENON.
	Transactional Relationship	There is no transactional relationship to be mentioned between SECOM and SENON. There is also no transactional relationship to be specially mentioned between affiliated parties and companies of SECOM and those of SENON.

i. Business Performance and Financial Conditions for the Last Three Years (Non-consolidated) (In millions of yen)			
Fiscal Years Ended	March 31, 2019	March 31, 2020	March 31, 2021
Net Assets	9,875	9,668	10,657
Total Assets	16,546	17,780	19,237
Net Assets Per Share of Common Stock (yen)	712	697	768
Revenue	36,470	36,867	34,331
Operating Profit	615	613	1,634
Ordinary Profit	677	766	1,842
Net Income	416	460	1,126
Net Income Per Share of Common Stocks (yen)	30	33	81
Cash Dividends Per Share of Common Stock (yen)	50	10	30

3. Outline of the Transferor for the Share Purchase

a. Name	Hironobu Koyano
b. Address	Suginami-ku, Tokyo
c. Relationship between SECOM and the individual	No capital/personnel/transactional relationship and related party status to be mentioned.

Due to confidentiality obligations, the other transferors (1 corporation and 14 individuals) are not disclosed. All the other transferors have no capital/personnel/transactional relationship and related party status to be mentioned.

4. The Number of Shares to be Acquired, Purchase Price and Conditions of Shares Held before and after the Acquisition

(1) The number of shares held before the acquisition	0	(The number of voting rights: 0) (Shareholding ratio: 0%)
(2) The number of shares to be acquired	7,612,000	(The number of voting rights: 7,612)
(3) The acquisition price (in millions of yen)	27,059 (est.)	Common shares of SENON acquired: 26,999 Advisory fees: 60 (est.) Total: 27,059 (est.)
(4) The number of shares to be held after the acquisition	7,612,000	(The number of voting rights: 7,612) (Shareholding ratio: 55.1%)

5. Schedule for the Share Purchase

(1) Execution of Share Purchase Agreement	May 12, 2022
(2) Closing Date	July 1, 2022 (planned)

6. Future Prospects

Detailed effects of this acquisition on SECOM's consolidated financial position and performance are expected to be insignificant. Any events to be disclosed will be disclosed in a timely manner based on requirements and regulations.

7. Other Items to be Specially Mentioned

The execution of this acquisition is conditional upon no such factor prohibiting the execution of the acquisition, including cease and desist order from the Japan Fair Trade Commission, as a result of the examination by authority.