



## **Notice of Convocation**

*The 64th Ordinary General Meeting of Shareholders*

The following is an English translation of the Notice of Convocation of the 64th Ordinary General Meeting of Shareholders of SECOM CO., LTD. to be held on June 26, 2025, except for the translation of the INSTRUCTION ON ONLINE VOTING and the ACCESS MAP FOR THE PLACE OF THE MEETING in the Notice. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.

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(Notes)

- This Table of Contents is for this abridged English translation only, and not the same as that in the original Japanese documents.
- From the fiscal year ended March 31, 2025, the Company has revised some of the English-language accounting line items to conform with the EDINET Taxonomy provided by the Financial Services Agency. Please note that these revisions are merely superficial changes to the account names; their substance remains unchanged.

Stock Exchange Code: 9735

June 4, 2025

(Electronic Provision Measures Commencement Date: June 3, 2025)

## **Notice of Convocation of The 64th Ordinary General Meeting of Shareholders**

Dear Shareholders:

Secom Co., Ltd. (the “Company”) hereby notifies you as follows that the 64th Ordinary General Meeting of Shareholders of the Company will be held as described below.

The Company has taken measures for electronic provision about the information that is the content of Reference Document Concerning the General Meeting of Shareholders, etc. (“the Electronic Provision Measures Matters”) to convene this General Meeting of Shareholders. “Notice of Convocation of the 64th Ordinary General Meeting of Shareholders” including informational materials for the General Meeting of Shareholders and “the Electronic Provision Measures Matters (the Matters Omitted from the Document for Delivery)” are available on each of the websites set forth below.

[Website of the Company]

<https://www.secom.co.jp/english/ir/stockinfo06.html>



[Website of Tokyo Stock Exchange, Inc. (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



When you use the website of Tokyo Stock Exchange, Inc., please find the relevant information by inputting either the Company name (SECOM) in the “Issue name” box or the security code (9735) in the “Code” box and then by clicking “Basic information” and “Documents for public inspection/PR information.”

If you do not attend the General Meeting of Shareholders in person, please exercise your voting rights by mail or via the Internet on or before 6:00 p.m. (JST) June 25, 2025 (Wednesday) after studying the Reference Document Concerning the General Meeting of Shareholders attached below:

[In case of exercising voting rights by mail]

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval to the proposals on the agenda, and return the form to the Company by mail on or before the time limit stated above.

[In case of exercising voting rights via the Internet]

Please access the website for the exercise of voting rights

[English Translation]

(<https://www.evvote.tr.mufg.jp/>). Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen by the time limit stated above.

(Platform for Electronic Exercise of Voting Rights)

Institutional shareholders may use the platform for the electronic exercise of voting rights that is operated by ICJ Inc.

Yours very truly,

**SECOM CO., LTD.**

5-1, Jingumae 1-chome, Shibuya-ku,  
Tokyo, Japan

By: YASUYUKI YOSHIDA

President and Representative Director

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(Note) Please note that shareholders with addresses outside Japan may not themselves use these voting procedures. For these shareholders, please consult their custodian in Japan as to the exercise of voting rights.

[English Translation]

## **PARTICULARS**

**1. Date and Time of the Meeting:**

**Thursday, June 26, 2025 at 10:00 a.m.**

**2. Place of the Meeting:**

Bersarle Hanzomon, Sumitomo Fudosan Hanzomon-Ekimae Building 2F,  
6-4, Kojimachi 1-chome, Chiyoda-ku, Tokyo

**3. Matters to be dealt with at the Meeting:**

**Matters to be Reported:**

1. Report on the Business Report, the Consolidated Financial Statements for the 64th Fiscal Year (from April 1, 2024 to March 31, 2025) and the Results on the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Report on the Non-Consolidated Financial Statements for the 64th Fiscal Year (from April 1, 2024 to March 31, 2025).

**Matters to be Resolved upon:**

**<Company Proposals>**

<b>First Item of Business:</b>	Proposed Distribution of Surplus
<b>Second Item of Business:</b>	Election of Ten (10) Directors

**<Shareholder Proposal>**

<b>Third Item of Business:</b>	Amendments to the Articles of Incorporation Regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price
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**4. Matters related to Exercise of Voting Rights:**

- 1) In the event that a shareholder wants to exercise non-uniform voting, he/she shall notify the Company to make non-uniform voting and the reason thereof in writing or by electromagnetic means three (3) days prior to the date of the General Meeting of Shareholders.
- 2) In the event that a shareholder exercises voting rights both via return mail (Voting Rights Exercise Form) and the Internet, the Company will consider the exercise of voting rights via the Internet to be valid.

[English Translation]

- 3) In the event that a shareholder exercises voting rights via the Internet more than once, the Company will consider the last exercise of voting rights to be valid.
- 4) In the event that there is no indication of approval or disapproval of the proposals in the returned Voting Rights Exercise Form, it will be treated as indication of “approval” for Company proposals, and “disapproval” for shareholder proposals.

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- With regard to this Notice of Convocation, the document, which is sent to shareholders who requested the issuance of such a document is to be sent to all shareholders.

- The following matters of the Electronic Provision Measures Matters are not stated in this Notice of Convocation pursuant to the relevant laws and ordinances and provisions in the Articles of Incorporation of the Company. We ask that you use either website on page 3 of this Notice.

- 1) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
- 2) “Notes to Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board consist of each document attached to the Notice of Convocation of the Ordinary General Meeting of Shareholders, as well as 1) and 2) set forth above.

- In the event of any amendment to the Electronic Provision Measures Matters, the Company will post such amended items on the websites indicated on page 3 of this Convocation Notice.

(Note)

If you plan to attend the Meeting, please submit the Voting Rights Exercise Form enclosed in the Notice of Convocation posted to shareholders to the receptionist at the Meeting.

## Reference Document Concerning the General Meeting of Shareholders

### Proposal and Reference Items

#### <Company Proposal>

#### First Item of Business: Proposed Distribution of Surplus

We consider the return of profits to shareholders a crucial management task, and determine the consolidated dividend payout ratio and the level of internal reserves in overall consideration of the future expansion of our business and consolidated results of operations while keeping in line with the basic policy that ensures the continued and stable dividend payments. Our basic policy of distribution of surplus in the form of dividend payment is that the Company makes it a rule to distribute dividends twice annually, in the form of an interim dividend, with a record date of September 30 each year, which is paid by resolution of the Board of Directors, and a year-end dividend, with a record date of March 31 each year, which is paid by resolution of the General Meeting of Shareholders. We intend to use internal reserves for investments required for increased new customer contracts, research and development, other strategic investments, and measures to return profits to employees so as to ensure to strengthen our corporate structure and expand our business.

Based on the basic policy aforesaid, we have determined to propose to the Ordinary General Meeting of Shareholders that the year-end dividends for the current fiscal year be 50 yen per share (100 yen per share on a pre-stock split basis, effective October 1, 2024) to respond to shareholders' continuous support. The dividends for the current fiscal year will be 195 yen per share on a pre-stock split basis, including the interim dividends, 5 yen higher than those for the previous fiscal year.

Matters related to the year-end dividend:

- (1) Kind of assets distributed:  
Cash
- (2) Matter related to distribution of cash and total amount:  
YEN 50 per share of common stock of the Company  
The total amount: YEN 20,783,700,600
- (3) Effective date for distribution of surplus:  
June 27, 2025

<Company Proposal>

**Second Item of Business: Election of Ten (10) Directors**

The term of office of all eleven (11) Directors will expire at the close of this General Meeting of Shareholders, and we would like to ask shareholders to elect ten (10) Directors.

The candidates are as follows:

No.	Name				Gender	Current Position at the Company
1	Re-election	Yasuyuki Yoshida			Male	President and Representative Director
2	Re-election	Tatsuro Fuse			Male	Senior Executive Director
3	Re-election	Yoshinori Yamanaka			Male	Executive Director
4	Re-election	Seiya Nagao			Male	Executive Director
5	Re-election	Takashi Nakada			Male	Director
6	Re-election	Makoto Inaba			Male	Director
7	Re-election	Hajime Watanabe	Outside Director	Independent Officer	Male	Outside Director
8	Re-election	Miri Hara	Outside Director	Independent Officer	Female	Outside Director
9	Re-election	Kosuke Matsuzaki	Outside Director	Independent Officer	Male	Outside Director
10	Re-election	Yukari Suzuki	Outside Director	Independent Officer	Female	Outside Director

[English Translation]



Candidate  
Number  
**1**

**Yasuyuki Yoshida\***

(Date of birth: March 28, 1958)

Re-election



Number of Shares  
of the Company  
Owned  
13,796 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1980    Joined SECOM Co., Ltd.  
Feb 1997    Associate General Manager, Strategic Planning Division  
Sep 1998    Director, Toyo Fire and Marine Insurance Co., Ltd. (presently Secom General Insurance Co., Ltd.)  
Jun 2002    President and Representative Director, Secom General Insurance Co., Ltd.  
Apr 2010    Executive Officer  
Jun 2012    Director  
Jun 2016    Executive Director  
Jun 2017    Senior Executive Director  
Apr 2024    President and Representative Director (currently)

■ Reasons for Election

Mr. Yasuyuki Yoshida has, for many years, served as Director of the Company in charge of overall business planning and overall management planning for a wide range of areas including establishment and development of risk management and governance structures of the SECOM Group, M&As and capital structure. Accordingly, he holds a high level of knowledge and experience in the management of the SECOM Group. Since assuming the position of President and Representative Director in April 2024, he has demonstrated leadership in promoting the Road Map 2027 and driving improvements in profit efficiency through initiatives to increase added value in the security services business, while steadily advancing management reforms from a medium- to long-term perspective aimed at the growth of the SECOM Group through human resource strategies, investment, capital policies, and other initiatives. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

Candidate  
Number  
**2**

**Tatsuro Fuse \***

(Date of birth: September 9, 1957)

Re-election



Number of Shares  
of the Company  
Owned  
12,198 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1982    Joined SECOM Co., Ltd.  
Jun 2009    President and Representative Director, Secom Medical System Co., Ltd.  
Apr 2010    Executive Officer  
Jun 2013    Director (retired in Jun 2016)  
Apr 2016    Chairman and Representative Director, Secom Medical System Co., Ltd.  
Jun 2016    Managing Executive Officer  
Jun 2016    Head of Corporate Communication & Marketing Division (currently)  
Jun 2017    Chairman and Director, Secom Medical System Co., Ltd. (currently)  
Jun 2017    Executive Director  
Jun 2024    Senior Executive Director (currently)  
Jun 2024    Assistant to the President (currently)

<Important Position of Other Organizations Concurrently Assumed>  
Chairman and Director, Secom Medical System Co., Ltd.

■ Reasons for Election

Mr. Tatsuro Fuse has been engaged in medical services business as well as corporate communication and marketing as Director of the Company. He holds affluent management experience at SECOM Group and a high level of knowledge and experience in external business activities such as corporate communication and marketing, and in overall management including medical service business. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

[English Translation]

Candidate  
Number  
**3**

**Yoshinori Yamanaka\***

(Date of birth: January 30, 1960)

Re-election



Number of Shares  
of the Company  
Owned  
3,278 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1985    Joined SECOM Co., Ltd.  
Apr 2002    President and Representative Director, Secom Hokuriku Co., Ltd.  
Jan 2014    Head of Home Market Sales Division  
Apr 2016    Executive Officer  
Jun 2020    Managing Executive Officer  
Jun 2020    President and Representative Director, Secom Joshinetsu Co., Ltd.  
Apr 2022    Head of Sales Division (currently)  
Jun 2024    Executive Director (currently)  
Jun 2024    Head of Sales Division 1 (currently)

■ Reasons for Election

Mr. Yoshinori Yamanaka has abundant experience and deep insight into the management of the SECOM Group, serving as Director in charge of the Sales Division, where he leverages his experience as head of the security business sales division and representative director of Group companies. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

Candidate  
Number  
**4**

**Seiya Nagao\***

(Date of birth: February 14, 1962)

Re-election



Number of Shares  
of the Company  
Owned  
5,186 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1984    Joined SECOM Co., Ltd.  
Apr 2008    General Manager, Group Operations Optimization Promotion Office  
Apr 2010    General Manager, Business Analysis Office  
Jan 2012    General Manager, Accounting Department  
Apr 2016    Executive Officer  
Nov 2018    President and Representative Director, Secom Credit Co., Ltd. (currently)  
Jan 2019    Head of Finance Division (currently)  
Jun 2024    Executive Director (currently)

■ Reasons for Election

Mr. Seiya Nagao oversees the finance and accounting departments as a member of the Board of Directors, leveraging extensive experience accumulated through many years of service in finance and accounting and Group company governance that facilitate deep insight into the management of the SECOM Group. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

[English Translation]

**Candidate  
Number**  
**5**

**Takashi Nakada\***

(Date of birth: April 27, 1966)

Re-election



Number of Shares  
of the Company  
Owned  
5,006 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1991	Joined SECOM Co., Ltd.
Jun 2016	General Manager, General Planning Department
Jun 2017	Executive Officer
Jan 2021	Deputy Head, Group International Division
Apr 2024	In Charge of Planning Administration, Group Companies Supervisor and Risk Control (currently)
Jun 2024	Director (currently)

■ Reasons for Election

Mr. Takashi Nakada oversees management planning and risk management as a member of the Board of Directors, leveraging extensive experience serving as the person responsible for overall management planning and overseas business, including Group company operational supervision and risk management, that facilitate deep insight into the management of the SECOM Group. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

**Candidate  
Number**  
**6**

**Makoto Inaba\***

(Date of birth: August 4, 1962)

Re-election



Number of Shares  
of the Company  
Owned  
2,942 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Sep 1987	Joined SECOM Co., Ltd.
Oct 2010	General Manager, Sales Development Department
Jul 2014	Head of Shikoku Regional Headquarters
Jun 2017	Assistant to Head of Operational Supervision Division
Jun 2018	Executive Officer
Jun 2018	Head of Corporate Sales Division
Jul 2022	President, Senon Ltd.
Jun 2024	Chairman, President and Representative Director, Senon Ltd.
Jun 2024	Director (currently)
Jun 2024	Head of Operations Division (currently)
Aug 2024	Chairman and Director, Senon Ltd. (currently)

<Important Position of Other Organizations Concurrently Assumed>  
Chairman and Director, Senon Ltd.

■ Reasons for Election

Mr. Makoto Inaba oversees the Operations Division as a member of the Board of Directors, leveraging a wealth of experience serving as head of the Corporate Sales Division of the Company's security business, as well as being responsible for directing security operations nationwide in the Operations Division and serving as a representative director of a security-related Group company that facilitate deep insight into the management of the Company's overall security business. In light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Director.

[English Translation]

Candidate  
Number  
**7**

**Hajime Watanabe**

(Date of birth: November 18, 1951)

Re-election

Candidate for Outside Director

Candidate for Independent Officer



Number of  
Shares of the  
Company  
Owned  
4,300 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Mar 1975    Joined Watanabe Pipe Co., Ltd.  
Apr 1978    Executive Director, Watanabe Pipe Co., Ltd.  
Apr 1983    Senior Executive Director, Watanabe Pipe Co., Ltd.  
Jun 1985    Vice President and Representative Director, Watanabe Pipe Co., Ltd.  
Nov 1991    President and Representative Director, Watanabe Pipe Co., Ltd.  
Jun 2016    Director, SECOM Co., Ltd. (currently)  
Apr 2022    Chairman and Representative Director, Watanabe Pipe Co., Ltd.(currently)

<Important Position of Other Organizations Concurrently Assumed>  
Chairman and Representative Director, Watanabe Pipe Co., Ltd.

■ Reasons for Election and Outline of Expected Role

Mr. Hajime Watanabe has engaged in management of Watanabe Pipe Co., Ltd. for many years. He holds rich experience and a high level of knowledge accumulated through his career in the management of the company that has a national network. As a member of the Board of Directors, he has provided effective advice and recommendations in many occasions on key directions of management as well as on the execution and risk management of business in general and other matters including work site operations and employee management. As he has played an appropriate role in the supervision of business execution, in light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Outside Director. After the election, he is expected to continue to play the role mentioned above.

Candidate  
Number  
**8**

**Miri Hara**

(Date of birth: December 20, 1961)

Re-election

Candidate for Outside Director

Candidate for Independent Officer



Number of  
Shares of the  
Company  
Owned  
0 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Jun 1988    Joined Hara Jisho Co., Ltd.  
Jun 1988    Director, Hara Jisho Co., Ltd. (currently)  
Oct 2017    Founded Tax Corporation Yokohama Benten Accounting, Inc. and  
assumed Representative Certified Public Tax Accountant (currently)  
Jun 2020    Director, SECOM Co., Ltd. (currently)  
Jun 2021    Outside Director, Nippon Sanso Holdings Corporation (currently)

<Important Position of Other Organizations Concurrently Assumed>  
Representative Certified Public Tax Accountant of Tax Corporation Yokohama Benten Accounting, Inc.  
Outside Director, Nippon Sanso Holdings Corporation

■ Reasons for Election and Outline of Expected Role

Ms. Miri Hara has a long track record as director of a real estate management company and possesses extensive experience and considerable insight accumulated through her career on tax affairs, corporate accounting, and other work at a tax accountant corporation. As a member of the Board of Directors, she frequently provides a wealth of useful advice and recommendations on key directions of management and services for households and female employees' active engagement. As she has played an appropriate role in the supervision of business execution, in light of the continuous enhancement of corporate value, we would like to ask shareholders to elect her as Outside Director. After the election, she is expected to continue to play the role mentioned above.

[English Translation]

Candidate  
Number  
**9**

**Kosuke Matsuzaki**

(Date of birth: May 1, 1960)

Re-election

Candidate for Outside Director

Candidate for Independent Officer



Number of  
Shares of the  
Company  
Owned  
0 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Apr 1984      Joined IBM Japan, Ltd.  
Jan 2014      Managing Executive Officer, IBM Japan, Ltd.  
Jan 2015      Vice President and Representative Director, Schneider Electric Japan Inc.  
Oct 2015      Representative Director, Schneider Electric Japan Inc.  
Jun 2019      Director, Head of Sales Division, Fuji Seal, Inc.  
Feb 2020      President and Representative Director, Fuji Seal, Inc.  
Feb 2024      Director, MAFTEC Group Co., Ltd.  
Apr 2024      Representative Director, President and CEO, MAFTEC Group Co., Ltd. (currently)  
Jun 2024      Director (currently)

<Important Position of Other Organizations Concurrently Assumed>  
Representative Director, President and CEO, MAFTEC Group Co., Ltd.

■ Reasons for Election and Outline of Expected Role

Mr. Kosuke Matsuzaki has a solid track record as a corporate manager and experience at various companies in a wide range of fields, including marketing, business planning, and product business at global IT-related companies. At Board of Director meetings, he provides a wealth of valuable advice and suggestions based on his extensive experience and wide-ranging insight into the management of global and Japanese companies. As he has played an appropriate role in the supervision of business execution, in light of the continuous enhancement of corporate value, we would like to ask shareholders to elect him as Outside Director. After the election, he is expected to continue to play the role mentioned above.

Candidate  
Number  
**10**

**Yukari Suzuki**

(Date of birth: September 16, 1962)

Re-election

Candidate for Outside Director

Candidate for Independent Officer



Number of  
Shares of the  
Company  
Owned  
100 shares

■ Brief History, Position, Responsibility, and Important Position of Other Organizations Concurrently Assumed, if any

Apr 1985      Joined Shiseido Company, Limited  
Apr 2015      General Manager, Marketing Department, Prestige Brands, Japan Business Division, Shiseido Company, Limited  
Jan 2017      Brand Director, Clé de Peau Beauté Brand Unit, Global Prestige Brands  
Jan 2018      Corporate Officer, Shiseido Company, Limited  
Mar 2020      Director, Senior Executive Officer, Shiseido Company, Limited  
Jan 2021      Representative Director, Senior Executive Officer, Shiseido Company, Limited  
Jun 2024      Outside Director, Tokyo Electron Ltd. (currently)  
Jun 2024      Director (currently)

<Important Position of Other Organizations Concurrently Assumed>  
Outside Director, Tokyo Electron Ltd.

■ Reasons for Election and Outline of Expected Role

Ms. Yukari Suzuki served as representative director of a listed global company, where she was involved in launching new businesses, brand marketing, and promotion of diversity and inclusion, utilizing her experience and knowledge in these areas. At Board of Directors meetings, she provides a wealth of advice and suggestions from diverse perspectives based on her extensive experience and broad insights gained through these achievements. In anticipation of her contribution to the continuous enhancement of

[English Translation]

corporate value, including the supervision of business execution, we would like to ask shareholders to elect her as Outside Director. After the election, she is expected to continue to play the role mentioned above.

(Notes)

1. There is no particular interest between the Company and each of the said candidates.
2. Candidates with \* are Executive Officers currently in office.
3. Based on the nomination policy that the Board of Directors established, the nomination of candidates for Directors are decided after discussion at the Board of Directors. The Board of Directors decides the candidates for Directors after the discussion process of the Nomination and Compensation Committee comprising a majority of Outside Directors.
4. Mr. Hajime Watanabe, Ms. Miri Hara, Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki are candidates for Outside Directors. The designation of all four candidates as Independent Officers has been filed with Tokyo Stock Exchange, Inc.
5. The number of years during which Mr. Hajime Watanabe is in the office of Outside Director of the Company will have been for nine (9) years at the close of this General Meeting of Shareholders.
6. The number of years during which Ms. Miri Hara is in the office of Outside Director of the Company will have been for five (5) years at the close of this General Meeting of Shareholders.
7. The number of years during which Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki are in the office of Outside Director of the Company will have been for one (1) year at the close of this General Meeting of Shareholders.
8. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a liability limit agreement limiting a compensation liability provided for in Article 423, Paragraph 1 of the Companies Act with Mr. Hajime Watanabe, Ms. Miri Hara, Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki. In case each of them is re-elected, it is scheduled that the liability limit agreement will continuously be made.  
Furthermore, the limited amount of compensation liability is the minimum liability limit provided for in Article 425, Paragraph 1 of the Companies Act.
9. The Company has entered into an officers' liability insurance contract with an insurance company. A summary of the contents of the insurance policy is given on page 37 of this Notice of Convocation ("3. Description of the Officers' Liability Insurance Contract"). Each candidate is currently a director of the Company and therefore insured under the relevant insurance contract. If reappointed, each candidate will continue to be insured under the insurance contract. Further, the Company intends to renew the insurance policy for the same terms during their term of office.

[English Translation]

〈Reference〉

Knowledge and experiences possessed by each candidate for Director and Audit & Supervisory Board Member (Skills Matrix)

Name	Current Position at the Company	Corporate Management	Finance and Accounting	Legal, Compliance and Risk	Sustainability and ESG	Security Services Industry	Global Business	ICT and Technology
Yasuyuki Yoshida	President and Representative Director	●	●	●		●		
Tatsuro Fuse	Senior Executive Director	●			●	●	●	
Yoshinori Yamanaka	Executive Director	●			●	●	●	
Seiya Nagao	Executive Director	●	●	●		●		
Takashi Nakada	Director	●				●	●	●
Makoto Inaba	Director	●		●		●		
Hajime Watanabe	Outside Director	●	●	●				
Miri Hara	Outside Director	●	●		●			
Kosuke Matsuzaki	Outside Director	●			●		●	●
Yukari Suzuki	Outside Director	●			●		●	
Takayuki Ito	Audit & Supervisory Board Member	●	●	●		●		
Yasuhiro Tsuji	Audit & Supervisory Board Member	●		●		●	●	
Hideki Kato	Outside Audit & Supervisory Board Member	●		●	●		●	
Makoto Yasuda	Outside Audit & Supervisory Board Member	●	●				●	
Setsuo Tanaka	Outside Audit & Supervisory Board Member	●		●		●		

(Notes)

1. Up to four (4) knowledge and experiences possessed by each candidate for Director and Audit & Supervisory Board Member are marked.
2. The above list does not represent all the knowledge and experiences of each candidate for Director and Audit & Supervisory Board Member.

[English Translation]

### <Shareholder Proposal>

The Third Item of Business was proposed by a shareholder. A summary of and reasons for the following item of business are presented verbatim from the shareholder proposal submitted by the proposing shareholder.

### **Third Item of Business: Amendments to the Articles of Incorporation regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

#### (1) Summary of the agenda

Add “Chapter 8: Action to Implement Management that is Conscious of Cost of Capital and Stock Price” to the current Articles of Incorporation and establish the following provision as Article 51. In the event that the approval of other proposals at this General Meeting of Shareholders (including proposals made by the Company) necessitates formal adjustments to the provisions described in this proposal (including, but not limited to, corrections to article numbering), the provisions related to this proposal shall be read as the provisions after such necessary adjustments have been made.

(Action to Implement Management that is Conscious of Cost of Capital and Stock Price)

Article 51 As long as the Company remains as listed company, in accordance with the spirit of the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” requested by the Tokyo Stock Exchange, the Company shall implement the following:

1. Consider and disclose the cost of capital from the viewpoints of shareholders and investors
2. Analyze and assess the market valuation of the Company from multiple perspectives, taking into account the viewpoints of shareholders and investors
3. Inspect whether the balance sheet is efficient from the perspective of cost of capital and capital profitability, and if improvements are deemed necessary, disclose and implement such plans
4. Take fundamental initiatives with awareness of the appropriate allocation of management resources, including review of the business portfolio, while being conscious of the cost of capital and capital profitability, and disclose a capital allocation policy based on appropriate allocation of management resources
5. Maintain awareness of reducing the cost of capital, and if improvements are deemed possible, disclose and implement such plans
6. Design a remuneration system for Directors and Audit & Supervisory Board Members that serves as an incentive for medium- to long-term enhancement of corporate value
7. Clearly disclose the intention behind each initiative toward realizing the medium- to long-term vision, and how each initiative leads to solving issues

[English Translation]



8. Management and the Board of Directors shall be proactively involved in dialogue with shareholders and investors

(2) Reasons for the proposal

We agree with the purpose of the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” (the “TSE Request”) that the Tokyo Stock Exchange has requested of all listed companies on the Prime Market and Standard Market as of March 31, 2023. In addition, we believe that continuous verification of initiatives based on the “Key Points and Examples Considering the Investor’s Point of View in Regard to Management Conscious of Cost of Capital and Stock Price” (the “Key Points and Examples”) announced by the Tokyo Stock Exchange on February 1, 2024 is effective in ensuring that a company’s response is not merely a formality, but highly effective.

Given that approximately 80% of listed companies on the Prime Market have already disclosed their responses to the TSE Request, one might assume that the TSE Request has already served its purpose. However, our primary concern lies in the significant disparities in the quality of disclosure and initiatives among companies. While some companies are actively promoting initiatives based on high-quality disclosures and are engaging in initiatives to enhance corporate value and foster highly effective collaboration, others, unfortunately, appear to have merely complied as a formality without understanding or showing a willingness to understand the purpose of the TSE Request.

Although the Company has disclosed its response based on the TSE Request, it has not provided information on its cost of capital ratio, an analysis of balance sheet efficiency, or a policy on the allocation of management resources, including the scale of shareholder returns. In order for the Company to achieve the 10% ROE target outlined in the SECOM Group Road Map 2027 and enhance its corporate value over the medium- to long-term, it should implement management practices that are conscious of cost of capital and capital profitability based on its balance sheet. Of the items listed in the Key Points and Examples, we believe that the following require improvement with a high need at the Company: 3. Inspection of balance sheet to ensure its efficiency, and disclosure and implementation of improvement plans, and 4. Implementation of fundamental initiatives with awareness of the appropriate allocation of management resources, and disclosure of a capital allocation policy. We believe that by disclosing such specific information, the Company can fulfil the expectations of its shareholders and investors who take a medium- to long-term perspective, which is precisely the purpose of the TSE Request.

## <Opinion of the Board of Directors>

### **The Board of Directors opposes this Shareholder Proposal.**

In May 2017, the Company announced that it had formulated the SECOM Group's Vision for 2030, under which, by providing enduring peace of mind to an ever-changing society through the realization of the ANSHIN Platform concept, the Company would achieve continuous growth while both resolving social issues and enhancing corporate value. In addition, under the SECOM Group Road Map 2027, the Company announced that it would pursue the core strategies of: (a) Providing innovative security-focused services and solutions; (b) Strengthening overseas operations with the aim of having overseas sales account for at least 10% of consolidated net sales in the future; (c) Reinforcing BPO and ICT services to create an infrastructure that supports customers' operations; (d) Enhancing productivity by maximizing service value and improving operational efficiency; and (e) Making continuous investment in the securing and fostering of human resources and accelerating the integration of management and sustainability strategies to earn the trust of all stakeholders and ensure that SECOM remains the company of choice for all stakeholders. We believe that each of these measures will lead to appropriate returns as "investment for growth" that is conscious of the cost of capital, including the achievement of earnings growth and increased productivity. In addition, we intend to continue to strengthen shareholder returns through the repurchase of the Company's own shares and dividend increases at appropriate times, with the aim of achieving our 2027 ROE target of 10%.

As per the above, the Company has already been pursuing initiatives related to "Action to Implement Management that is Conscious of Cost of Capital and Stock Price." The Shareholder Proposal seeks to newly add provisions regarding initiatives related to "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" to the Articles of Incorporation, but these are items that need to be addressed quickly and flexibly in a constantly changing market environment, and we deem it inappropriate to add these as provisions to the Articles of Incorporation.

In addition, as noted in the presentation materials for financial results for the fiscal year ended March 31, 2025, we estimate that the Group's cost of shareholders' equity is roughly 5%-7%. By implementing the measures included in the SECOM Group Road Map 2027 while engaging in ongoing dialogue with the equity market going forward, we will aim to achieve profitability that exceeds the cost of shareholders' equity for the medium- to long-term enhancement of corporate value and the common benefit of shareholders.

The Board of Directors therefore opposes the Shareholder Proposal.

Reference: SECOM Group Road Map 2027

[https://www.secom.co.jp/english/ir/lib\\_2023/Roadmap2027e.pdf](https://www.secom.co.jp/english/ir/lib_2023/Roadmap2027e.pdf)

Reference: Financial Results for the Fiscal Year Ended March 31, 2025

[https://www.secom.co.jp/english/ir/lib\\_2025/kessan37-3-p.pdf](https://www.secom.co.jp/english/ir/lib_2025/kessan37-3-p.pdf)

Reference: Shareholder returns

	FY2021	FY2022	FY2023	FY2024	FY2025
Full-year dividend per share	¥180	¥185	¥190	¥195 (Pre-stock-split basis)	¥200 (Pre-stock-split basis)
Amount of repurchases of the Company's own shares	¥11.23 billion	¥29.78 billion	¥43.99 billion	¥30.00 billion	¥60.00 billion (Planned)

Notes:

1. The full-year dividend per share for fiscal 2024 (ended March 31, 2025) is subject to approval of the Company's proposal at the General Meeting.
2. The full-year dividend per share for fiscal 2025 (ending March 31, 2026) is the dividend forecast amount.

# Business Report (Fiscal Year Ended March 31, 2025)

## I. Outline of the Group's Business

### 1. The Current Business Development and Results of Operations

During the fiscal year ended March 31, 2025 (“the current fiscal year”), the Japanese economy showed movements of recovery in some areas such as corporate earnings and business investment, amid the improvements in the employment and income environment. On the other hand, continual attention has been required to the effects of the continuing rise in prices on private consumption, the effects of the U.S. policy trends such as trade policies, the trends of the financial and capital markets and other circumstances.

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. We also formulated the SECOM Group Road Map 2027 to further clarify the direction we should aim for in order to realize our vision and to ensure our growth, and we are actively promoting various initiatives.

In May 2024, in response to the growing demand for security resulting from the increase in violent burglaries, we began sales of SECOM *Anshin* Glass SG, a security laminated glass with excellent penetration resistance. In June, we also began offering SECOM AI Behavior Detection System, which uses AI to enable detection of dangerous actions in surveillance camera images and notifies the monitoring desk. While the workload of monitors is an issue in monitoring operations where multiple surveillance cameras are constantly checked, this system assists in reducing the workload and improves quality of operations. Furthermore, in February 2025, we launched AED CR2 Auto—Online, an auto-shock AED which features functions to improve the survival rate and online functions that support daily inspections by SECOM. Through these and other various initiatives, we continued to provide meticulous and seamless services to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind.

In September 2024, we announced a stock split and the establishment of a shareholder special benefit program with the aim of facilitating broader investment participation and encouraging long-term shareholding, and implemented the stock split on October 1. Additionally, in February 2025, SECOM was selected to the A List, the highest rating, based on the 2024 surveys on climate change and water security initiatives conducted by CDP, an international environmental NGO.

As a result, consolidated net sales for the current fiscal year increased by 3.9% to 1,199.9 billion yen compared with the previous fiscal year, chiefly owing to the increases in revenue in security services, fire protection services and medical  
[English Translation]

services. Consolidated operating profit increased by 2.6% to 144.2 billion yen, attributable to the effect of the increase in operating profit mainly in security services, fire protection services and insurance services, despite the decrease in operating profit in geospatial information services and BPO and ICT services. Consolidated ordinary profit increased by 5.0% to 175.1 billion yen, mainly due to the increase in gain on investments in investment partnerships in the U.S. etc. of 6.1 billion yen. Profit attributable to owners of parent increased by 6.0% to 108.1 billion yen.

Net sales, operating profit, ordinary profit and profit attributable to owners of parent each reached a record-high.

(Millions of Yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Current fiscal year (FY2024)	1,199,942	144,297	175,123	108,109
Previous fiscal year (FY2023)	1,154,740	140,658	166,859	101,951

By business segment, in the security services segment, we provide mainly centralized monitoring services (on-line security systems) for commercial and residential clients, as well as static guard services, armored car services, and merchandise.

For our commercial security services, we offer System Security AZ (\*1), an all-in-one system that accommodates a variety of functions that benefit customers' business operations, including security and fire protection, as well as work efficiency solutions such as employee attendance management. In the current fiscal year, we released Interactive Security Service, which adds an emergency alert service for attended situations to System Security AZ and AZ-Air in order to support safety management at retail facilities by remotely monitoring surveillance camera images, and worked to expand its sales.

For our residential security services, we provide SECOM Home Security NEO, a flexible system suited to modern lifestyles that can expand its services beyond crime prevention and fire protection by linking with various devices. During the current fiscal year, we launched a new model of controller used for SECOM Home Security with enhanced functions for convenience and improved design to actively expand the sales of home security systems.

Outside Japan, we promoted security services characterized by its emergency response services and video monitoring, mainly in economically developing areas, such as Southeast Asia. We accelerated efforts to develop and introduce services and systems adapted to the local market while advancing initiatives for the digital

[English Translation]

transformation of on-line security systems by incorporating the latest technologies.

As a result, net sales increased by 3.1% to 633.3 billion yen, mainly due to the brisk sales of centralized monitoring services (on-line security systems) for commercial and residential use, the effects of price revisions (price increases), and the strong sales of merchandise. Operating profit increased by 2.0% to 114.9 billion yen.

(\*1) System Security: On-line security system for commercial subscribers.

In the fire protection services segment, we provide a broad range of fire protection systems such as high-quality fire alarm systems and fire extinguishing systems that respond to customers' needs to a wide variety of facilities such as office buildings, production facilities, tunnels, cultural properties, ships and residences. In the current fiscal year, also, two major fire protection companies in Japan, Nohmi Bosai Ltd. and Nittan Co., Ltd., promoted various fire protection systems based on each company's business infrastructure and product development expertise.

Net sales increased by 10.3% to 177.0 billion yen, attributable to the increase in revenue from fire extinguishing systems and fire alarm systems. Operating profit increased by 30.8% to 20.1 billion yen, chiefly owing to the improvement in the cost ratio.

In the medical services segment, we provide various medical services such as our core home medical services, including home nursing services and pharmaceutical dispensing and home delivery services, operation of residences for seniors, sales of electronic medical report systems, sales of medical equipment and pharmaceutical products, personal care services, and the leasing of real estate for medical institutions.

Net sales increased by 7.6% to 86.2 billion yen, mainly due to the brisk sales of pharmaceuticals and medical equipment. Operating profit increased by 4.2% to 5.3 billion yen.

In the insurance services segment, we expanded marketing efforts for our unique non-life insurance offerings, including Security Discount Fire Policy, a commercial fire insurance policy, and SECOM *Anshin* My Home, a comprehensive fire insurance policy for residences, both of which extend discounts on premiums to customers who have installed on-line security systems, recognizing this as a risk-mitigating factor; MEDCOM, an unrestricted cancer treatment policy that offers compensation of the actual cost of medical treatment; and SECOM *Anshin* My Car, a comprehensive automobile insurance policy that offers on-site support services provided by our emergency response personnel in the event of an accident.

Net sales increased by 2.1% to 59.3 billion yen, mainly due to the increase in underwriting income, despite the decrease in investment income. Operating profit increased by 65.6% to 4.2 billion yen, largely attributable to the decrease in provision of policy reserve.

[English Translation]

In the geospatial information services segment, we collect geographic data from aerial photography, vehicle/ground surveying systems and satellite images, which we integrate, process, and analyze to provide geospatial information services to domestic national and local governmental agencies, private sectors, and foreign governmental agencies including emerging and developing countries.

Net sales decreased by 3.5% to 58.3 billion yen, chiefly owing to the decrease in revenue from the domestic public sector division. Operating profit decreased by 35.0% to 3.4 billion yen, mainly attributable to the decrease in net sales and the rise in the cost ratio.

In the BPO and ICT services segment, our distinctive portfolio includes business continuity planning (BCP) support, information security services, a variety of cloud-based services and authentication services, centering on the data centers, as well as BPO-related services including operation of contact center services. Net sales increased by 1.0% to 128.4 billion yen, chiefly owing to the increase in revenue from the data center services and the brisk sales of servers and other equipment, despite the decrease in revenue in TMJ, Inc., a provider of BPO services including contact centers and back office services. Operating profit was down 22.6% to 9.1 billion yen, attributable to the rise in cost largely owing to the commencement of operations of the new data center and the increase in selling, general and administrative expenses mainly due to the rise in personnel expenses.

Other services segment comprises real estate leasing and construction and installation services.

Net sales increased by 5.5% to 57.0 billion yen. Operating profit increased by 17.3% to 8.6 billion yen.

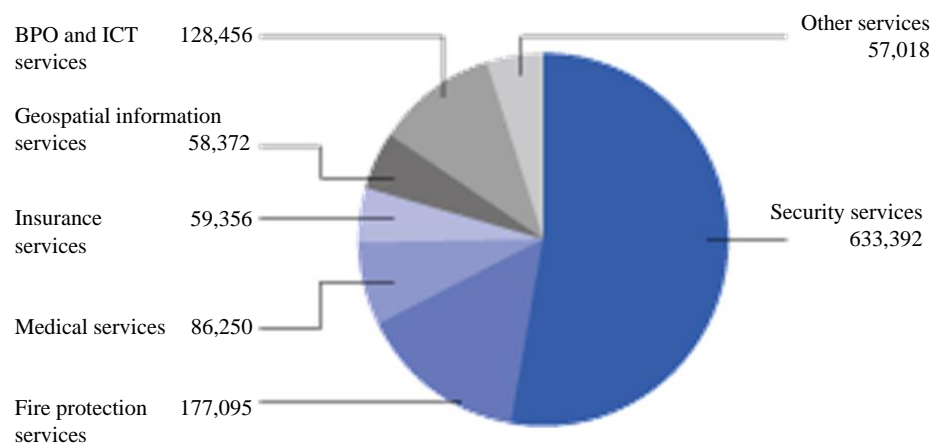
# Results by Business Segment (64th Fiscal Year – current fiscal year)

(Millions of Yen)

Business segment	Net sales			Operating profit
	Customers	Intersegment	Total	
Security services	633,392	13,306	646,698	114,990
Fire protection services	177,095	3,739	180,835	20,109
Medical services	86,250	71	86,321	5,397
Insurance services	59,356	3,028	62,384	4,228
Geospatial information services	58,372	179	58,551	3,460
BPO and ICT services	128,456	10,691	139,148	9,165
Other services	57,018	1,691	58,710	8,633
Total	1,199,942	32,708	1,232,650	165,987
Eliminations and corporate items	–	(32,708)	(32,708)	(21,690)
Consolidated net sales	1,199,942	–	1,199,942	144,297

With respect to the results by geographical segments, in Japan, net sales increased by 3.5% to YEN 1,130.1 billion. Overseas net sales increased by 10.5% to YEN 69.8 billion.

## Net sales by business segment, excluding intersegment transactions (Millions of Yen)



[English Translation]



## 2. Issues the Group Has to Cope with

The circumstances surrounding the SECOM Group pose certain challenges to be addressed, including the evolution of technology, a decrease in the working population, the deterioration of public safety experienced by citizens, an aging population, more frequent and severer natural disasters. Under these circumstances, the SECOM Group promotes the following initiatives in order to contribute to solving these challenges:

### (1) Capitalizing on advanced technologies and expertise

Amid ongoing technological evolution, we will proactively collect and deploy information on advanced technologies and know-how, in order to achieve the creation of added value, the improvement of service quality, etc., through the effective use of cutting-edge technologies. Based on these efforts, we will accelerate security DX and work diligently to create products and services in Japan and overseas that fuse advanced technologies with human capability.

### (2) Domestic businesses (Increasing the competitiveness of our services and products)

For domestic businesses, we will strengthen advertising and other sales promotions as well as sales activities, improve our competitiveness by enhancing the qualities and functionality of our services and products for commercial clients, and also focus on further cultivating individual consumer markets, through the provision of new services, including care for seniors. We will make the best use of the business resources of the SECOM Group, in order to offer high value-added services that meet diversified customer needs, thereby aiming to establish a society that enjoys “safety, peace of mind, comfort and convenience.”

### (3) Strengthening overseas businesses

For overseas businesses, we will proactively adopt cutting-edge technologies and strengthen our business development with increasing security needs in mind, including business planning and product development targeted at overseas local markets suitable for local needs, in addition to services for large-scale properties, while also executing M&A to secure a new foundation for growth. Furthermore, we will promote active local hiring, and improve the quality of services in overseas operations by fortifying education and training.

### (4) Improving operating efficiency and quality

As part of efforts to address the manpower reduction resulting from the decreasing labor force population, we will promote operational efficiency through system investments to improve functionalities, thereby improving productivity, profitability, and service quality. At the same time, we will review operational processes and internal operational procedures to promote labor and cost reductions.

[English Translation]

### (5) Securing human resources that will increase competitiveness

The SECOM Group requires personnel to maintain its service provision system and improve service quality in its domestic businesses, as well as human resources with IT and global skills, to utilize cutting-edge technologies and expand overseas businesses. We will make progress in enhancing retention and recruitment to support our business development even amid the decreasing working population. We will also accelerate organizational strategies to strengthen growing sectors, including the reallocation of human resources. In addition, we will maintain efforts to cultivate existing employees, provide education and training that improves their abilities to adapt to change, and create an environment that will serve as a foundation for each employee to make the most of their individuality, leading to prosperous and fulfilling work and private lives.

### (6) Strengthening compliance and governance systems

In promoting the efforts described above, securing and maintaining customer trust through compliance with laws and the spirit of the law, is one of the most important management issues for the SECOM Group, which aims to provide “safety and peace of mind.” The SECOM Group is making efforts to further strengthen its compliance system based on SECOM’s Philosophy, which has been cultivated as the basic approach, ideal form, and guiding principle for our employees and organization. We will also continue to strengthen our governance structure to create a company that continues to be chosen by our stakeholders.

We look forward to the support from our shareholders in these and all of our endeavors.

## 3. Capital Expenditures

Capital expenditures for the current fiscal year totaled YEN 101.8 billion (a breakdown is given below). A major portion was for system investments (including those for security equipment and control stations) etc. in the security services segment, which totaled to YEN 60.4 billion.

(Millions of Yen)	
Business segment	Amount
Security services	60,416
Fire protection services	4,165
Medical services	3,031
Insurance services	2,630
Geospatial information services	1,860
BPO and ICT services	27,956
Other services	1,442
Subtotal	101,503
Eliminations and corporate items	361
Total	101,865

[English Translation]

## 4. Fund Raising

During the current fiscal year, no funds were raised by the Group in capital markets through the issuance of corporate bonds or new shares.

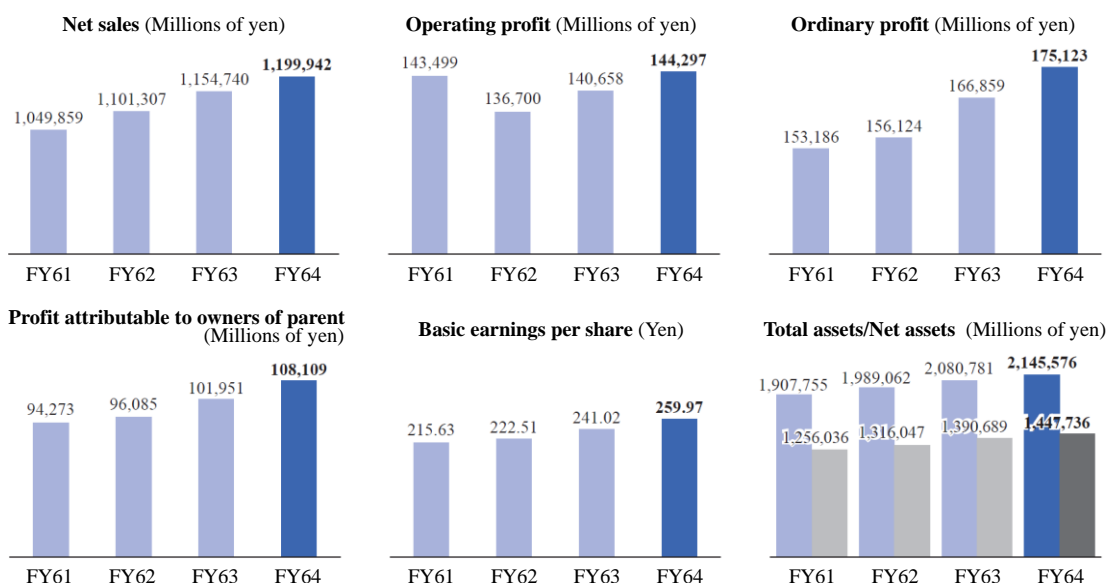
## 5. Trends in Earnings and Assets of the Group

(Millions of Yen except for net income per share)

Fiscal years Category	61st fiscal year (4/1/2021– 3/31/2022)	62nd fiscal year (4/1/2022– 3/31/2023)	63rd fiscal year (4/1/2023– 3/31/2024)	64th fiscal year (current fiscal year) (4/1/2024– 3/31/2025)
Net sales	1,049,859	1,101,307	1,154,740	1,199,942
Operating profit	143,499	136,700	140,658	144,297
Ordinary profit	153,186	156,124	166,859	175,123
Profit attributable to owners of parent	94,273	96,085	101,951	108,109
Basic earnings per share (Yen)	215.63	222.51	241.02	259.97
Rate of return on equity	8.6%	8.4%	8.5%	8.7%
Total assets	1,907,755	1,989,062	2,080,781	2,145,576
Net assets	1,256,036	1,316,047	1,390,689	1,447,736

(Note)

The Company implemented a two-for-one stock split of the Company's common shares with the effective date of October 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that the stock split was implemented at the beginning of the 61st fiscal year.



[English Translation]

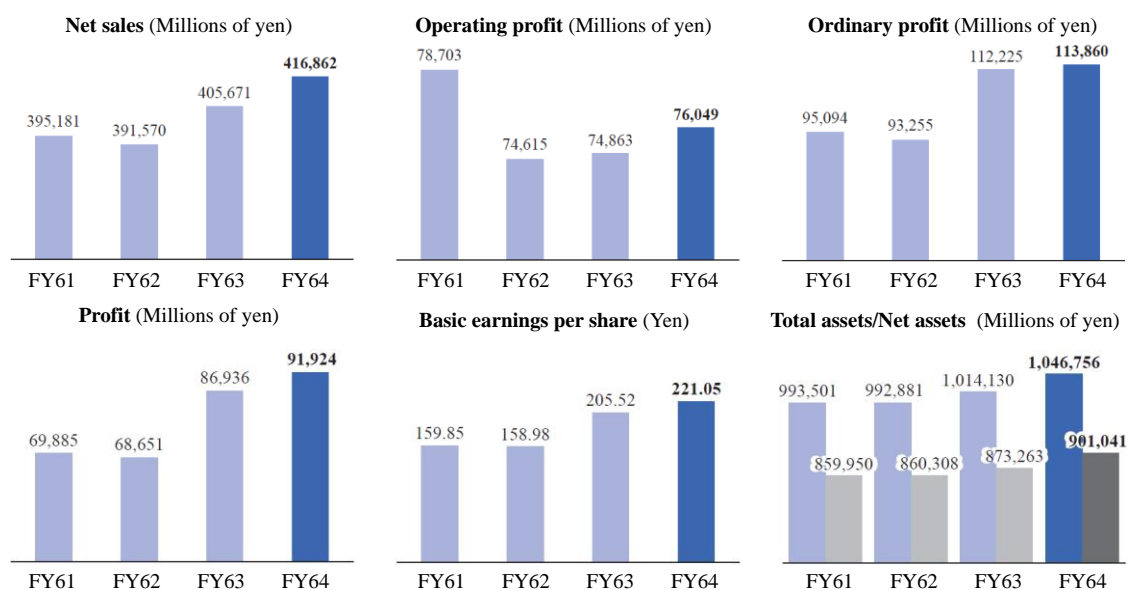
## 6. Trends in Earnings and Assets of the Company

(Millions of Yen except for net income per share)

Fiscal years Category	61st fiscal year (4/1/2021– 3/31/2022)	62nd fiscal year (4/1/2022– 3/31/2023)	63rd fiscal year (4/1/2023– 3/31/2024)	64th fiscal year (current fiscal year) (4/1/2024– 3/31/2025)
Net sales	395,181	391,570	405,671	416,862
Operating profit	78,703	74,615	74,863	76,049
Ordinary profit	95,094	93,255	112,225	113,860
Profit	69,885	68,651	86,936	91,924
Basic earnings per share (Yen)	159.85	158.98	205.52	221.05
Rate of return on equity	8.2%	8.0%	10.0%	10.4%
Total assets	993,501	992,881	1,014,130	1,046,756
Net assets	859,950	860,308	873,263	901,041

(Note)

The Company implemented a two-for-one stock split of the Company's common shares, with the effective date of October 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that the stock split was implemented at the beginning of the 61st fiscal year.



[English Translation]

## 7. Matters Concerning Principal Subsidiaries

(As of March 31, 2025)

Company name	Issued capital	Percentage of ownership (Percentage of voting rights)	Principal business activities
Secom Joshinetsu Co., Ltd.	(Millions of Yen) 3,530	(%) 100.00 (100.00)	Security and safety services
Asahi Security Co., Ltd.	(Millions of Yen) 100	(%) 100.00 (100.00)	Cash collection and delivery services
Nohmi Bosai Ltd.	(Millions of Yen) 13,302	(%) 50.36 (51.98)	Comprehensive fire protection services
Nittan Co., Ltd.	(Millions of Yen) 2,302	(%) 100.00 (100.00)	Comprehensive fire protection services
Secom Medical System Co., Ltd.	(Millions of Yen) 100	(%) 100.00 (100.00)	Home medical services and remote image diagnosis support services
Secom General Insurance Co., Ltd.	(Millions of Yen) 16,808	(%) 97.25 (97.95)	Non-life insurance
Pasco Corporation	(Millions of Yen) 8,758	(%) 75.00 (75.00)	Surveying, measuring and geospatial information system services
Secom Trust Systems Co., Ltd.	(Millions of Yen) 1,468	(%) 100.00 (100.00)	Information security services and software development
At Tokyo Corporation	(Millions of Yen) 13,378	(%) 50.88 (50.88)	Data center business
TMJ, Inc.	(Millions of Yen) 100	(%) 100.00 (100.00)	BPO business including contact center business
The Westec Security Group, Inc.	(US\$) 301	(%) 100.00 (100.00)	Holding company in the U.S.
Secom Plc	(Thousands of UK Pounds) 44,126	(%) 100.00 (100.00)	Security business in the U.K.
Takshasila Hospitals Operating Pvt. Ltd.	(Millions of Rupee) 7,176	(%) 60.00 (60.00)	General hospital operating company in India

[English Translation]

Secom Medical System (Singapore) Pte. Ltd.	(Thousands of Singapore Dollars)  142,098	(%)  100.00 (100.00)	Holding company in Singapore
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(Notes)

1. The percentages of ownership (percentages of voting rights) are truncated to two decimal places.
2. The percentages of ownership (percentages of voting rights) for Nohmi Bosai Ltd., Takshasila Hospitals Operating Pvt. Ltd. and Secom Medical System (Singapore) Pte. Ltd. include those indirectly owned by the Company.
3. As part of a series of transactions to delist and privatize PASCO Corporation, making SECOM and IS Frontier Partners (all issued shares of which are held by ITOCHU Corporation) the sole shareholders, SECOM and IS Frontier Partners jointly conducted a tender offer for PASCO Corporation shares from September 6, 2024, to October 22, 2024 (commencement date of the settlement was October 28, 2024), and PASCO Corporation conducted a share consolidation with an effective date of January 9, 2025. SECOM's investment ratio (voting rights ratio) in PASCO Corporation was 71.55% (72.18%) as of March 31, 2024, and has increased to 75.00% (75.00%) as a result of the above series of transactions.

## 8. Principal Business of the Group

The Group consists of the Company, 148 consolidated subsidiaries and 17 affiliated companies accounted for under the equity method. The principal business activities of the Group are as follows: Security Services centering on contracted security services; Fire Protection Services centering on comprehensive fire protection services; Medical Services focusing on home medical services and management of residences for seniors; Insurance Services consisting mainly of non-life insurance; Geospatial Information Services that mainly entails the provision of surveying and measuring operations; BPO and ICT Services centering on information security services, large-scale anti-disaster operations, datacenter and BPO business; and Other Services centering on real estate leasing and construction and installation services and other services.

## 9. Principal Offices of the Group

- (i) Headquarters of the Company:  
5-1, Jingumae 1-chome, Shibuya-ku, Tokyo
- (ii) Regional Headquarters:  
Hokkaido (Sapporo City), Tohoku (Sendai City), West Kanto (Saitama City), East Kanto (Chiba City), Tokyo (Minato-ku, Tokyo), Metropolitan Static Guard Service (Shibuya-ku, Tokyo), Metropolitan Armored Car Service (Shibuya-ku, Tokyo), Kanagawa (Yokohama City), Shizuoka (Shizuoka City), Chubu (Nagoya City), Kinki (Kyoto City), Osaka (Osaka City), Hyogo (Kobe City), Chugoku (Hiroshima City), Shikoku (Takamatsu City), Kyushu (Fukuoka City).

[English Translation]

(iii) Domestic Subsidiaries:

Secom Joshinetsu Co., Ltd. (Niigata City), Asahi Security Co., Ltd. (Minato-ku, Tokyo), Nohmi Bosai Ltd. (Chiyoda-ku, Tokyo), Nittan Co., Ltd. (Shibuya-ku, Tokyo), Secom Medical System Co., Ltd. (Shibuya-ku, Tokyo), Secom General Insurance Co., Ltd. (Chiyoda-ku, Tokyo), Pasco Corporation (Meguro-ku, Tokyo), Secom Trust Systems Co., Ltd. (Shinjuku-ku, Tokyo), At Tokyo Corporation (Koto-ku, Tokyo), TMJ, Inc. (Shinjuku-ku, Tokyo), Arai & Co., Ltd. (Shibuya-ku, Tokyo).

(iv) Overseas Subsidiaries:

The Westec Security Group, Inc. (Dover, Delaware, USA), Secom Plc (Kenley, Surrey, UK), Secom (China) Co., Ltd. (Beijing, China), Takshasila Hospitals Operating Pvt. Ltd. (Bengaluru, Karnataka, India), Secom Medical System (Singapore) Pte. Ltd. (Singapore).

## 10. Matters Concerning Employees of the Group and the Company

(1) Matters Concerning Employees of the Group

Number of employees	Decrease from the end of the previous fiscal year
64,655	89

(2) Matters Concerning Employees of the Company

Number of employees	Increase from the end of the previous fiscal year	Average age	Average years of service
15,674	2	44.7	18.2

(Note)

The number of employees refers to the number of full-time employees.

## 11. Principal Lenders

(Millions of Yen)

Lenders	Balance
Mizuho Bank, Ltd.	11,210
MUFG Bank, Ltd.	9,933
Resona Bank Ltd.	3,011
Sumitomo Mitsui Banking Corp.	2,743

## 12. Other Important Matters Concerning the Group

There is no matter applicable.

[English Translation]

## II. Matters Concerning the Company's Shares and Shareholders

### 1. Total Number of Shares to be Issued: 1,800,000,000

(Note) Effective October 1, 2024, the Company implemented a two-for-one split of common stock, and amended the total number of shares authorized to be issued as set forth in Article 5 of the Company's Articles of Incorporation in accordance with the split ratio. As a result, the total number of shares authorized to be issued increased by 900,000,000 shares on the same date.

### 2. Total Number of Issued Shares: 466,599,796

(including 50,925,784 shares of treasury stock held by the Company)

(Note) As a result of the aforementioned stock split, the total number of issued shares increased by 233,299,898 shares on October 1, 2024.

### 3. Number of Shareholders at the End of the Fiscal Year: 42,717

### 4. Number of Shares Constituting a Unit of Shares: 100 shares

### 5. Major Shareholders (Top 10)

Name of Shareholders	Number of shares held (Thousands of Shares)	Percentage of ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	93,804	22.56
Custody Bank of Japan, Ltd. (Trust Account)	38,276	9.20
JP MORGAN CHASE BANK 380055	18,669	4.49
The Master Trust Bank of Japan, Ltd. (Retail Trust Account 820079272)	13,481	3.24
STATE STREET BANK WEST CLIENT-TREATY 505234	10,485	2.52
Secom Science and Technology Foundation	8,050	1.93
STATE STREET BANK AND TRUST COMPANY 505001	7,533	1.81
JP MORGAN CHASE BANK 385781	5,751	1.38
STATE STREET BANK AND TRUST COMPANY 505103	5,371	1.29
GOVERNMENT OF NORWAY	5,142	1.23

(Note)

Although the Company holds treasury stock of 50,925,784 shares, it is not included in the table above. The percentage of ownership is calculated on the basis of the total number of shares outstanding excluding treasury stock. The percentage of ownership is truncated to two decimal places.

[English Translation]



**6. Shares Granted to Officers of the Company for Their Business Execution during Current Fiscal Year**

	Number of shares	Number of Grantees
Directors (excluding Outside Directors)	6,935	6

(Note)

Effective October 1, 2024, the Company implemented a two-for-one stock split. As the shares above are restricted shares delivered prior to the effective date of the stock split, the number of shares prior to the stock split is presented.

### III. Directors and Audit & Supervisory Board Members

#### 1. Names and Titles of Directors and Audit & Supervisory Board Members

(As of March 31, 2025)

Position	Name	Field of responsibility and important position of other organization concurrently assumed
President and Representative Director	Yasuyuki Yoshida	Executive Officer
Senior Executive Director	Tatsuro Fuse	Executive Officer (Assistant to the President, Head of Corporate Communication & Marketing Division) Chairman and Director, Secom Medical System Co., Ltd.
Executive Director	Yoshinori Yamanaka	Executive Officer (Head of Sales Division and Sales Division 1)
Executive Director	Seiya Nagao	Executive Officer (Head of Finance Division)
Director	Takashi Nakada	Executive Officer (in charge of planning administration, group companies supervisor and risk control)
Director	Makoto Inaba	Executive Officer (Head of Operations Division) Chairman and Director, Senon Ltd.
Director	Takaharu Hirose	Chairman and Representative Director of Monitas, Inc.
Director	Hajime Watanabe	Chairman and Representative Director of Watanabe Pipe Co., Ltd.
Director	Miri Hara	Representative Certified Public Tax Accountant of Tax Corporation Yokohama Benten Accounting, Inc. Outside Director, Nippon Sanso Holdings Corporation
Director	Kosuke Matsuzaki	Representative Director, President and CEO, MAFTEC Group Co., Ltd.
Director	Yukari Suzuki	Outside Director, Tokyo Electron Ltd.

[English Translation]

Position	Name	Field of responsibility and important position of other organization concurrently assumed
Audit & Supervisory Board Member	Takayuki Ito	Full-time Audit & Supervisory Board Member
Audit & Supervisory Board Member	Yasuhiro Tsuji	Full-time Audit & Supervisory Board Member
Audit & Supervisory Board Member	Hideki Kato	
Audit & Supervisory Board Member	Makoto Yasuda	President and Representative Director of Yasuda Makoto & Co., Ltd.
Audit & Supervisory Board Member	Setsuo Tanaka	Representative Director of Public Interest Incorporated Foundation Japan Police Scholarship Association Representative Director of Public Interest Incorporated Foundation Japan Police Support Association

(Notes)

1. Mr. Takaharu Hirose, Mr. Hajime Watanabe, Ms. Miri Hara, Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Messrs. Hideki Kato, Makoto Yasuda and Setsuo Tanaka are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
3. The Audit & Supervisory Board Member, Mr. Takayuki Ito has long-term experience working at a financial institution and has considerable knowledge of finance and accounting matters.
4. There are no particular interests between the Company and other corporations employing Outside Director, Mr. Takaharu Hirose, Mr. Hajime Watanabe, Ms. Miri Hara, Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki.
5. There are no particular interests between the Company and other corporations employing Outside Audit & Supervisory Board Member, Mr. Makoto Yasuda.
6. The Company made donation to two foundations which Outside Audit & Supervisory Board Member Mr. Setsuo Tanaka concurrently assumes positions. However, the amounts of donation were less than 10 million yen, respectively. Moreover, both of foundations are certified as designated public interest corporations to contribute to promote public interest so that it is unlikely that independency between both foundations and the Company, also between him and the Company would be suspicious, nor conflict of interest as to ordinary shareholders would be endangered.
7. The notice of Outside Directors, Mr. Takaharu Hirose, Mr. Hajime Watanabe, Ms. Miri Hara, Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki being independent officers was submitted to Tokyo Stock Exchange, Inc.
8. The notice of Outside Audit & Supervisory Board Members, Messrs. Hideki Kato, Makoto Yasuda and Setsuo Tanaka being independent officers was submitted to Tokyo Stock Exchange, Inc.
9. Changes in Directors during the current fiscal year
  - ① Messrs. Yasuo Nakayama and Ichiro Ozeki retired from their

[English Translation]

- position as directors at the close of the 63rd Ordinary General Meeting of Shareholders held on June 25, 2024.
- ② Six directors, Messrs. Yoshinori Yamanaka, Seiya Nagao, Takashi Nakada, Makoto Inaba, Kosuke Matsuzaki, and Ms. Yukari Suzuki were elected and appointed at the 63rd Ordinary General Meeting of Shareholders held on June 25, 2024.
10. Changes in important concurrent positions held by Directors during the current fiscal year
- ① Director Makoto Inaba was appointed Chairman, President and Representative Director of Senon Co., Ltd., on June 20, 2024, then stepped down as Representative Director and President of Senon on August 26, 2024, to assume the position of Chairman of the Board without representative authority.
- ② Outside Director Yukari Suzuki was appointed Outside Director of Tokyo Electron Limited on June 18, 2024.
11. Changes in Director positions and responsibilities during the current fiscal year
- ① Executive Director Tatsuro Fuse was appointed Senior Executive Director and Assistant to the President on June 25, 2024.
- ② Director Yoshinori Yamanaka was appointed Executive Director and Head of Sales Division 1 on June 25, 2024.
- ③ Director Seiya Nagao was appointed Executive Director on June 25, 2024.
- ④ Director Makoto Inaba was appointed Head of Operations Division on June 25, 2024.

## 〈Reference〉

Executive Officers who are not Directors are as follows:

(As of May 1, 2025)

Title	Name
Managing Executive Officer	Tatsuya Izumida, Osamu Ueda, Yoichi Sugimoto, Sumiyuki Fukumitsu, Osamu Nagai, Sadahiro Sato
Executive Officer	Yasufumi Kuwahara, Noriyuki Fukuoka, Takeshi Akagi, Noriyuki Uematsu, Atsushi Komatsu, Takehiko Senda, Toshinori Sugimoto, Satoshi Takizawa, Izumi Sawamoto, Akira Kubota, Masahiko Naito, Shinji Kiren, Minoru Takezawa, Yasunori Terai, Hiroaki Ibumi, Sadao Tanaka, Yuji Mesaki, Yoichi Sudo

(Notes)

1. Managing Executive Officer Kenichi Furukawa retired on June 21, 2024.
2. Executive Officer Kensuke Shindo retired on June 25, 2024.
3. Messrs. Hiroaki Ibumi, Sadao Tanaka, Yuji Mesaki, and Yoichi Sudo were appointed Executive Officers on June 25, 2024.
4. Executive Officer Michiyoshi Morita retired on June 28, 2024.
5. Executive Officer Satoshi Araki retired on August 4, 2024.

[English Translation]

## **2. Description of the Agreement Limiting Liabilities**

The Company has entered into with each of the Directors (excluding Executive Directors) and each of the Audit & Supervisory Board Members an agreement limiting their liabilities as prescribed by Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

The maximum amount of the liabilities under this agreement is equal to the lowest amount of liabilities stipulated in Article 425, Paragraph 1 of the Companies Act.

## **3. Description of the Officers' Liability Insurance Contract**

The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to compensate the insured persons for any damage that they may incur when a claim for damages is made against them, including damages and litigation cost.

The insured persons of this insurance contract are main business executives of the Company, including Directors, Audit & Supervisory Board Members, and Executive Officers.

However, if the insurance policy provides for a deductible amount and does not cover damage that does not reach the deductible amount, or if certain exemptions apply, such as when an act is committed with the knowledge that it violates laws and regulations, the insurance policy shall not cover the damage to ensure that the appropriateness of the performance of duties by directors and officers is not impaired.

The insurance premiums are paid by the Company, including those for special clauses such as the special clause on indemnity for shareholder representative lawsuits, and the insured does not bear the actual cost of the premiums.

#### 4. Remuneration of Directors and Audit & Supervisory Board Members

	Total amount of remuneration etc. (Millions of Yen)	Breakdown of total amount of remuneration etc. (Millions of Yen)				No. of entitled officers
		Basic remuneration	Performance-based remuneration		Non-pecuniary remuneration	
		Fixed	Stock option	Bonus	Restricted stock	
Directors (excluding Outside Directors)	322	207	-	63	51	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	49	49	-	-	-	2
Outside Directors	54	54	-	-	-	5
Outside Audit & Supervisory Board Members	32	32	-	-	-	3
Total	459	344	-	63	51	18

(Notes)

The remuneration described above is in accordance with the policy for determining the content of individual remuneration for Directors, which was established in advance by the Board of Directors. For details of each, please refer to “5. Policy for Determining the Amount of Remuneration of Directors and Audit & Supervisory Board Members.”

With regard to the above performance-based remuneration, the target of consolidated operating profit for the fiscal year under review was 131,200 million yen, and the actual result was 144,297 million yen.

#### 5. Policy for Determining the Amount of Remuneration of Directors and Audit & Supervisory Board Members

##### (1) Remuneration of Directors

The Company has established a policy for determining the contents of remuneration of individual directors (hereinafter referred to as the “Determination Policy”), and its outline is as follows:

The remuneration of Directors shall consist of pecuniary remuneration (fixed monthly remuneration and bonus) and share-based remuneration. Outside Directors shall be entitled only to fixed monthly remuneration. In the case of a death of an incumbent Director of the Company excluding Outside Directors (hereinafter, “Subject Directors”), officer condolence money shall be paid to the bereaved family of the deceased Subject Director in accordance with the Regulations on the Provision of Officer Condolence Money established by the resolution of the Board of Directors subject to the approval of the General Meeting of Shareholders.

Regarding pecuniary remuneration (fixed monthly remuneration and bonus), it was resolved at the 44th Ordinary General Meeting of Shareholders held on June 29, 2005 that the total amount shall not exceed 600 million yen per year (the number of Directors pertaining to the resolution was eleven (11)). Based on a resolution at the Ordinary General Meeting of Shareholders, the

[English Translation]

Nomination and Compensation Committee, with the authorization of the Board of Directors, determines the monetary compensation of each director within this upper limit. Additionally, with regard to the share-based remuneration to be paid to Subject Directors, it was resolved at the 60th Ordinary General Meeting of Shareholders held on June 25, 2021 that (a) the total amount of monetary claims to be provided to grant restricted stock shall not exceed 100 million yen per year, which is separate from pecuniary remuneration, and that the number of common stock shares to be issued or disposed as restricted stock shall not exceed 20,000 shares per year (Note: the number of Subject Directors pertaining to this resolution was seven (7)); (b) the Non-transferable period shall be the period from the date on which the Subject Director receives the issuance or disposition of the common stock shares of the Company (hereinafter the “Grant Date”) until the day on which the Subject Director resigns or retires from the office and ceases to be any of Director, Executive Officer, Audit & Supervisory Board Member, and employee of the Company (hereinafter the “Directors, etc.”) (including resignation or retirement due to death, hereinafter the “Retirement, etc.”); (c) upon the expiration of the Non-transferable Period, the Company shall acquire all such common stock shares held by such Subject Director free of charge as a matter of course unless the Retirement, etc. of a Subject Director from the office of Director, etc. is determined by the Board of Directors of the Company to be due to a reasonable cause, such as expiration of the term of office, mandatory retirement due to age, or death; and (d) upon the expiration of the Non-transferable Period, notwithstanding the determination by the Board of Directors that the Retirement, etc. of a Subject Director from the office of Director, etc. is due to a reasonable cause, such as expiration of the term of office, mandatory retirement due to age, or death, if the Retirement, etc. occurs before the close of the first Ordinary General Meeting of Shareholders held after the Grant Date, except for a certain number of such common stock shares determined in accordance with the reasonable standard set out in advance by the Board of Directors of the Company among such common stock shares held by such a Subject Director, the Company shall acquire the rest of such common stock shares held by such Subject Director free of charge as a matter of course. Based on this resolution of the General Meeting of Shareholders, the Board of Directors, based on the result of deliberation by the Nomination and Compensation Committee, shall determine the share-based remuneration of each director within the limit of the maximum amount and number mentioned in (a) above.

The amount of fixed monthly remuneration (pecuniary remuneration) of each director and the amount of share-based remuneration (the amount of monetary claims provided to grant restricted stock) of each Subject Director shall be determined in comprehensive consideration of the job responsibility and the number of years of office of each Subject Director as well as the financial performance of the Company. The amount of bonus of each Subject Director shall be determined with comprehensive consideration given to degree of achievement of consolidated operating profit, earnings per share (EPS) and employee engagement (employee satisfaction), which are key management

[English Translation]

targets, among other factors.

The relative proportion of fixed monthly remuneration, bonus, and share-based remuneration in the total amount of remuneration of each Subject Director shall be roughly 65:15:20. Fixed monthly remuneration is paid every month. Bonus for each fiscal year is paid in July of the following fiscal year. Share-based remuneration for each fiscal year is paid in July of the same year subject to the Non-transferable Period above.

As the remuneration of each Director for the current fiscal year has been determined in accordance with the procedure outlined above, the Board of Directors has determined that the contents of the remuneration are in line with the Determination Policy.

To strengthen the independence and objectivity of the functions and the accountability of the Board of Directors concerning the nomination and remuneration of Directors, the Company has established a Nomination and Compensation Committee. The Committee drafts and submits a proposal on the election and removal of Directors to the Board of Directors and determines and advises individual pecuniary remuneration after discussing share-based remuneration with the Board of Directors. The Nomination and Compensation Committee for the current fiscal year consisted of the following five (5) members in total (including three (3) Outside Directors): Takaharu Hirose (Chairperson, Outside Director), Yasuo Nakayama (Chairman and Representative Director), Yasuyuki Yoshida (President and Representative Director), Hajime Watanabe (Outside Director), and Miri Hara (Outside Director). However, Mr. Yasuo Nakayama retired as a committee member and Mr. Tatsuro Fuse, Senior Executive Director, was appointed as a committee member on June 25, 2024.

Note: Effective October 1, 2024, the Company implemented a two-for-one stock split. Accordingly, the total number of common stock to be issued or disposed of as restricted stock has been adjusted to a maximum of 40,000 shares per year.

## (2) Remuneration of Audit & Supervisory Board Members

The remuneration of Audit & Supervisory Board Members of the Company consists of pecuniary remuneration. It was resolved at the 63th Ordinary General Meeting of Shareholders held on June 25, 2024 that the total amount of remuneration of Audit & Supervisory Board Members shall not exceed 90 million yen per year (the number of Audit & Supervisory Board Members pertaining to the resolution was five (5)). The amount of remuneration of each Audit & Supervisory Board Member shall be determined by consultation among Audit & Supervisory Board Members based on the job responsibility of each Audit & Supervisory Board Member within the limit of the maximum amount of such remuneration resolved at the General Meeting of Shareholders. No performance-based remuneration has been introduced as remuneration of Audit & Supervisory Board Members.

[English Translation]



## 6. Outside Directors and Outside Audit & Supervisory Board Members

Activities of Outside Directors and Outside Audit & Supervisory Board Members during the current fiscal year

Category	Name	Attendance of the Meetings of the Board of Directors	Attendance of the Meetings of the Audit & Supervisory Board	Main Activities
Outside Director	Takaharu Hirose	12 (out of 12)	-	He offered advice and recommendations at the meetings of the Board of Directors by making use of his extensive experience and insight gained through the foundation and the management of many enterprises and industry organizations. He also served as a member of the Nomination and Compensation Committee to participate in deliberations. Through these activities, he has performed the supervisory function adequately and has played an appropriate role as an Outside Director.
Outside Director	Hajime Watanabe	12 (out of 12)	-	He offered advice and recommendations at the meetings of the Board of Directors by making use of his extensive experience and insight gained from many years of involvement in corporate management. He also served as a member of the Nomination and Compensation Committee to participate in deliberations. Through these activities, he has performed the supervisory function adequately and has played an appropriate role as an Outside Director.

[English Translation]

Category	Name	Attendance of the Meetings of the Board of Directors	Attendance of the Meetings of the Audit & Supervisory Board	Main Activities
Outside Director	Miri Hara	12 (out of 12)	-	She offered advice and recommendations at the meetings of the Board of Directors by making use of her extensive experience and insight gained from her experience as a corporate officer and a tax accountant. She also served as a member of the Nomination and Compensation Committee to participate in deliberations. Through these activities, she has performed the supervisory function adequately and has played an appropriate role as an Outside Director.
Outside Director	Kosuke Matsuzaki	9 (out of 9)	-	He offered advice and recommendations at Board of Directors meetings utilizing extensive experience and insight gained in management of major domestic and international corporations, and has adequately performed the supervisory function and played an appropriate role as an Outside Director.
Outside Director	Yukari Suzuki	9 (out of 9)	-	She offered advice and recommendations at Board of Directors meetings utilizing extensive experience and insight gained as a Director of a global listed company, and has adequately performed the supervisory function and played an appropriate role as an Outside Director.
Outside Audit & Supervisory Board Member	Hideki Kato	12 (out of 12)	12 (out of 12)	He offered advice and suggestions at the meetings of the Board of Directors by making use of his experience in the execution of national policies and insight gained through many accomplishments at a policy think tank. He also asked questions and stated opinions in order to clarify unclear issues.

[English Translation]

Category	Name	Attendance of the Meetings of the Board of Directors	Attendance of the Meetings of the Audit & Supervisory Board	Main Activities
Outside Audit & Supervisory Board Member	Makoto Yasuda	12 (out of 12)	12 (out of 12)	He offered advice and suggestions at the meetings of the Board of Directors by making use of his experience and insight gained through serving as a management of global enterprise. He also asked questions and stated opinions in order to clarify unclear issues.
Outside Audit & Supervisory Board Member	Setsuo Tanaka	12 (out of 12)	12 (out of 12)	He offered advice and suggestions at the meetings of the Board of Directors by making use of his experience and insight gained through the important positions in government. He also asked questions and stated opinions in order to clarify unclear issues.

(Note)

Mr. Kosuke Matsuzaki and Ms. Yukari Suzuki were elected and appointed Directors at the 63rd Ordinary General Meeting of Shareholders held on June 25, 2024. Accordingly, their attendance at Board of Directors meetings held after June 25, 2024 is disclosed.

## IV. Accounting Auditor

### 1. Name of Accounting Auditor

KPMG AZSA LLC

### 2. Remuneration of Accounting Auditor

(Millions of Yen)

Category	Previous Fiscal Year		Current Fiscal Year	
	Audit certification work	Non-audit work	Audit certification work	Non-audit work
Company	214	58	221	120
Consolidated Subsidiaries	419	81	446	97
Total	634	139	668	218

(Notes)

1. Based on the audit contract between the Company and the Accounting Auditor, the remuneration paid to the auditor is not distinguished between that which relates to the audits under the Companies Act and that which relates to the audits under Financial Instruments and Exchange Act as they cannot be distinguished. Therefore, the amount given in the Company shown above is the combined total of these amounts.
2. Of the major subsidiaries of the Company, the Westec Security Group Inc. is audited by WEAVER AND TIDWELL LLP, Secom Plc is audited by Cooper Parry Group Limited, Takshasila Hospitals Operating Pvt. Ltd. is audited by BSR & Co. LLP and Secom Medical System (Singapore) Pte. Ltd. is audited by KPMG Services Pte. Ltd.

### 3. Consent for the Amount of Remunerations for Accounting Auditor

Audit & Supervisory Board consents under Article 399, Paragraph 1 of the Companies Act for the amount of remunerations for Accounting Auditors upon verifying the basis for calculation of remunerations of Accounting Auditors, including contents of audit plan prepared by the Accounting Auditors, the status of implementation of accounting audits, etc.

### 4. Non-Audit Duties

The Company pays consideration to the Accounting Auditor for services as non-audit duties including financial due diligence work, etc. Consolidated subsidiaries pay consideration to the Accounting Auditor for services as non-audit duties, including verifying work for the status of preparedness on internal control system, in accordance with Auditing and Assurance Practice Committee Practical Guideline No 86, "Assurance Reports on Controls at a Service Organization."

### 5. Policy for Decision for Dismissal or Non-reappointment

When it is deemed that the Accounting Auditor has come to fall within the purview of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will hold Meeting of Audit & Supervisory Board Members, and, when all Audit & Supervisory Board Members have consented thereto, the

[English Translation]

Audit & Supervisory Board Member will take action for the dismissal of the subject Accounting Auditor or the subject firm of the Accounting Auditor. In such case, the Audit & Supervisory Board will make decision on appointment of a temporary Accounting Auditor or a substitute Accounting Auditor and will submit a proposal of the appointment of a substitute Accounting Auditor to the general meeting of shareholders convened for the first time after such decision. The Audit & Supervisory Board Member selected by the Audit & Supervisory Board will also report the reasons for the dismissal at the general meeting of shareholders.

Aside from the above, when there exists any situations from the view point of execution of duties and audit system, etc. where it is acknowledged that the Accounting Auditor is not fit to act as Accounting Auditor, the Audit & Supervisory Board will make decision on non-reappointment of the subject Accounting Auditor and appointment of a substitute Accounting Auditor, with a majority approval, and will submit a proposal to the general meeting of shareholders.

## **V. System under which the Company's Business is Ensured to be Properly Executed**

### **1. Basic Policy and Overview of the Status of Operation Regarding Internal Control System**

Outline of the “system under which the execution of duties by Directors is ensured to comply with laws and regulations and the Articles of Incorporation, and the system under which the Company's business and the group of enterprises consisting of the Company and subsidiaries is ensured to properly execute its business” (so-called the basic policy regarding the internal control system) of the Company, which the Board of Directors' Meeting resolved, is as follows. (The latest revision was made on February 8, 2024.)

#### **(1) General**

This resolution manifests the basic policy regarding the internal control system of the Company resolved by the Board of Directors based on Article 362, Paragraph 5 of the Companies Act, and the policy shall be constantly reviewed and improved.

#### **(2) System under which the execution of duties by Directors and employees is ensured to comply with laws and regulations and the Articles of Incorporation**

[Basic Policy]

From the start, compliance with laws and regulations and the Articles of Incorporation has been an indispensable requirement of our business, and we have always sought to operate in strict adherence to this spirit. Compliance is a part of the Company's daily routines, and the Company places emphasis on the system that each executive and employee maintains a high level of awareness of compliance and promotes that.

[English Translation]

- (i) Executives and employees act in accordance with the “SECOM Group Code of Employee Conduct,” which sets behavioral standards for the execution of duties, including compliance with laws and regulations, and the Article of Incorporation. They also conduct business operations based on the “Constitution of SECOM’s Business and Operation.”
- (ii) The Executive Officers in charge of each area are responsible for having thorough knowledge of regulations related to their duties and the relationships of such regulations with their own operations. They are responsible for proposing responses to any revisions of laws to the President and Representative Director. They are also responsible for responding appropriately to issues and problems. The Legal Department and other relevant departments and sections support them, providing cross-organization coordination. President and Representative Director reports them to the Board of Directors as necessary.
- (iii) Following the orders of the President and Representative Director, the Internal Audit and Compliance Department provides cross-organizational inspection in a timely manner over the execution of duties, praises the observance of laws and regulations and the Company’s rules, and at the same time points out matters that need correction. The Internal Audit and Compliance Department reports the findings of the inspection to the President and Representative Director and the Audit & Supervisory Board Members.
- (iv) When executives and employees of the Company become aware of unethical actions, they have the obligation to report such actions to the superior. A “Hot Helpline” is established to facilitate direct contact with the Internal Audit and Compliance Department or the outside law firm if corrective actions are not taken even after reporting to superiors or it is difficult to report. Pursuant to the “Basic Policy of the SECOM Group for Compliance” and the “Internal Reporting Rules,” the Company will keep the reported matters confidential, and take necessary investigation and appropriate measures. The reporter will suffer no disadvantage on the grounds of such report.
- (v) The Company establishes a standing Organizational Culture Committee, chaired by the President and Representative Director. The Organizational Culture Committee determines important official commendations and dispositions as well as measures to foster the open organizational culture. Revisions of the “SECOM Group Code of Employee Conduct” and/or critical compliance-related matters are undertaken after discussion with the Organizational Culture Committee and subject to the approval of the Board of Directors after obtaining the opinions of the Audit & Supervisory Board Members.

[Status of Operation]

The Company promotes to instill and entrench the “SECOM Group Code of Employee Conduct” and the “SECOM’s Philosophy” via trainings, in-house activities, e-learnings among others.

With regard to compliance-related problems, the Company has developed a system with which each executive and employee can respond appropriately. Important issues of them are handled by each regional

[English Translation]

Control Center and such information is brought together to the Central Control Center of the Headquarters. The Central Control Center communicates that to the relevant departments and reports to the President and Representative Director when necessary.

The Internal Audit and Compliance Department conducts operational audits based on the audit plan, reports the audit results to the President and Representative Director and the Audit & Supervisory Board Members on a monthly basis, and makes proposals to departments in charge to take corrective measures necessary to solve any issues identified. The President and Representative Director instructs departments in charge to correct such issues when necessary.

There were 150 reports made through “Hot Helpline” and the Organizational Culture Committee meetings were held for 9 times for the current fiscal year.

**(3) System under which information regarding execution of business by Directors shall be maintained and controlled**

[Basic Policy]

Information regarding the execution of duties of Directors shall be properly maintained and administered pursuant to the rules of the Company, which will be amended upon reviewing the operating conditions when necessary.

[Status of Operation]

Information regarding the execution of duties of Directors such as minutes of the meetings of the Board of Directors and decision-making documents are stored and managed in a proper manner in conformance with the “Basic Policy of the SECOM Group for Information Security.”

**(4) System regarding control of risk of loss and other system**

[Basic Policy]

- (i) The Company’s overall risk management is, with acknowledgement that risk management itself is the Company’s business, supervised by the President and Representative Director. Executive Officers in charge and department managers analyze and assess business risk and fraud risk in the operational areas for which they are responsible. On this basis, the system is reviewed to respond to changes in business environment and important issues are reported to the Board of Directors and the Audit & Supervisory Board.
- (ii) In order to grasp company-wide risks and consider necessary measures, a Risk Committee, which is chaired by the Director responsible for risk management, shall be convened and report as necessary to the President and Representative Director and the Board of Directors.
- (iii) Any important changes of the Company’s risk control system shall be subject to the approval of the Board of Directors after obtaining the opinions of the Audit & Supervisory Board Members.

[Status of Operation]

Each Executive Officer and department manager properly analyzes and assesses risks in the operational areas for which he/she is responsible and

[English Translation]

reports the results to the President and Representative Director. They also respond appropriately to the revealed risks. The Risk Committee meetings were held 6 times for the current fiscal year. The Risk Committee grasps company-wide risk and considers necessary measures.

The analysis and assessment is conducted under the classification of risks as below.

① Large-scale calamity risk	② Compliance risk
③ System risk	④ Service providing risk
⑤ Administrative work and accounting risk	⑥ Supply chain risk
⑦ Infection risk	⑧ SDGs related risk, etc.

**(5) System by which efficient execution of duties of Directors shall be ensured**

[Basic Policy]

- (i) The Board of Directors consists of Directors including Outside Directors in an independent position. Based on the “Rules of the Board of Directors,” the Board determines important matters stipulated in the relevant laws and regulations and makes decisions on corporate management. The Board also oversees appropriate executions of the duties by Directors.
- (ii) The Company introduces the system of Executive Officers aiming to implement the execution of Directors’ duties efficiently.
- (iii) The Company utilizes the information systems and secures its business expansion and stable and efficient operations.
- (iv) The Company will share the medium and long-term business vision, and for the purpose of the accomplishment thereof, the Board of Directors will design an annual business plan and deliberate the progress of the plan.

[Status of Operation]

The Board of Directors consists of 11 Directors including 5 Outside Directors. As a general rule, a meeting of the Board of Directors is held once a month with the attendance of Directors as well as 5 Audit & Supervisory Board Members including 3 Outside Audit & Supervisory Board Members. At a meeting of the Board of Directors, important management matters are deliberated and the status of execution of duties by Directors is reported, based on the “Business Vision” of the Company, and the Board of Directors strives for accurate and prompt decision-making. 30 Executive Officers including 6 Directors are making efforts to make decisions and to execute their duties in a more expeditious manner. (The above officer structure is as of March 31, 2025.)

The Company conducts measures against cyberattacks, monitoring, regular inspections and reviews for stable operations of the information systems.

[English Translation]



**(6) System under which the group of enterprises consisting of the Company and subsidiaries is ensured to properly execute its business**

**(6-1) System under which the execution of duties by Directors, etc. and employees of subsidiaries is ensured to comply with laws and regulations and the Articles of Incorporation**

**[Basic Policy]**

- (i) Abiding by the “Constitution of SECOM’s Business and Operation,” each of the subsidiaries shares the “SECOM Group Code of Employee Conduct,” which applies to all executives and employees. United by these guidelines, the executives and employees work to accomplish the corporate goals in an appropriate manner.
- (ii) Each of the subsidiaries carries out IT controls in conformance with the “Basic Policy of the SECOM Group for Information Security.” The Company’s ICT Executive Officers conduct timely inspections covering the IT management of major subsidiaries.
- (iii) The “SECOM Group Management Committee,” which is chaired by the Company’s President and Representative Director and whose members are composed of the presidents of major subsidiaries and other parties appointed by the chairperson, works to ensure that appropriate operations are carried out. It accomplishes this goal by conducting discussions of issues related to the internal controls in an effort to share Group information and operating philosophy. Where necessary, the President and Representative Director reports the results to the Board of Directors and the Audit & Supervisory Board.
- (iv) The President and Representative Director of the Company issues orders to the internal audit departments (Internal Audit and Compliance Department and Group Governance Department) to inspect subsidiaries, if necessary. The subsidiaries accept the inspection by the Company, and at the same time promote the understanding and improvement of compliance-related issues by exchanging information with the Company. Furthermore, the Company establishes the whistle-blowing system “Group Head Office Helpline” which enables executives and employees of subsidiaries to directly report to the Company’s Group Governance Department, whenever they become aware of any non-compliance. Pursuant to the “Basic Policy of the SECOM Group for Compliance” and the “Internal Reporting Rules,” the Company will keep the reported matters confidential, and take necessary investigation and appropriate measures. The reporter will suffer no disadvantage on the grounds of such report.
- (v) The Audit & Supervisory Board Members of the Company visit major subsidiaries and conduct audits regarding internal controls.
- (vi) The Company establishes a liaison meeting with Group Audit & Supervisory Board Members after discussion with its Audit & Supervisory Board in an attempt to share information.

**[English Translation]**

**(6-2) System under which the matters related to the execution of duties by Directors, etc., of subsidiaries are reported to the Company**

[Basic Policy]

The Company establishes and implements the “Basic Rules for SECOM Group Corporate Management,” which clarify the guidelines for the items to be approved by the Company in advance and the items to be reported to the Company.

**(6-3) Rules and other systems for controlling risks of loss of subsidiaries**

[Basic Policy]

Pursuant to the “Meaning of the Risk Control and Risk Control Basic Policy for SECOM and SECOM Group,” the subsidiaries develop risk control systems. Furthermore, upon the occurrence of important events, the subsidiaries will take appropriate measures under the Company’s control.

**(6-4) System which ensures that Directors, etc., of the subsidiaries execute their duties efficiently**

[Basic Policy]

- (i) All Directors of the subsidiaries will efficiently carry out the operation and execution of business on the basis of the “Constitution of SECOM’s Business and Operation.”
- (ii) The Company and the subsidiaries will formulate the annual business plans based on the “Business Vision” of the SECOM Group, and confirm the progress of the plans.

[Status of Operation]

Information on important compliance-related issues is brought together to the Central Control Center of the Company. The Central Control Center communicates that to the relevant departments and reports to the President and Representative Director when necessary.

The President and Representative Director of the Company convened the “SECOM Group Management Committee Meetings” three times for the current fiscal year and confirmed the progress of the business plans of the subsidiaries. To enhance the subsidiaries’ corporate governance, Audit & Supervisory Board Members visited and interviewed the Group subsidiaries. Also, to enhance the integration with the Group Audit & Supervisory Board Members, etc., they held the “Liaison Meetings with Group Audit & Supervisory Board Members and the Internal Audit Departments of SECOM Group” and the “Information Exchange Meetings.” Internal audit departments inspect the subsidiaries as needed, and take appropriate steps in collaboration with relevant sections and the subsidiaries in response to any internal reports made through the “Group Head Office Helpline.”

**(7) Matters related to employees to assist duties of Audit & Supervisory Board Members when Audit & Supervisory Board Members requests to do so and matters related to the independence of such employees from Directors and ensuring the effectiveness of the instructions of the Audit & Supervisory Board Members**

[English Translation]

[Basic Policy]

- (i) The Company establishes the system to assist audit duties, by establishing the Office of Audit & Supervisory Board staffed by at least two employees with the exclusive duties.
- (ii) The assistants for the Audit & Supervisory Board Members may conduct investigations necessary for the audit by the Audit & Supervisory Board Members, following the instructions of the Audit & Supervisory Board Members.
- (iii) Transfer and evaluation of the assistants for the Audit & Supervisory Board Members shall be determined upon the approval of the Audit & Supervisory Board. The assistants who received necessary instruction on audit duties by Audit & Supervisory Board Members shall not be subject to any instruction or order from Directors and Executive Officers and employees with respect to the subject audit duties, nor be obligated to report to them.

[Status of Operation]

The Company has established the Office of Audit & Supervisory Board staffed by three designated employees who are familiar with the Company's internal affairs. The assistants for the Audit & Supervisory Board Members carry out their duties following the instructions of the Audit & Supervisory Board Members, and transfer and evaluation of the assistants shall be determined upon the approval of the Audit & Supervisory Board.

**(8) System under which any report is made to Audit & Supervisory Board Members and system which ensures that the persons who made the reports will not be treated disadvantageously on the grounds of such reports**

**(8-1) System under which Directors and Accounting Advisors and employees make any reports to the Audit & Supervisory Board Members**

[Basic Policy]

- (i) Upon discussion with the Audit & Supervisory Board, the following matters shall be considered as the matters to be reported by Directors to the Audit & Supervisory Board Members.
  - (1) matters resolved by the Organization Culture Committee and other committees;
  - (2) matters likely to be materially harming the Company;
  - (3) important matters relating to monthly business conditions;
  - (4) important matters relating to internal audit and risk management;
  - (5) material violation of laws and regulations or the Articles of Incorporation; and
  - (6) important matters from viewpoint of compliance.
- (ii) Notwithstanding (i) above, the Audit & Supervisory Board Members may, where necessary and in a timely manner, request that Directors and employees make a report.
- (iii) The matters reported to the “Hot Helpline” will be reported to the Audit

[English Translation]

& Supervisory Board Members from the Internal Audit and Compliance Department.

**(8-2) System under which persons executing duties as the subsidiary's Directors, Accounting Advisors, Audit & Supervisory Board Members, Executive Officers, members who execute the business, etc., other persons equivalent to such persons, and employees, or any persons receiving reports from these persons, make reports to the Audit & Supervisory Board Members**

[Basic Policy]

The matters reported to the "Group Head Office Helpline" will be reported to the Audit & Supervisory Board Members from the Group Governance Department.

**(8-3) System which ensures that the persons who made the reports to Audit & Supervisory Board Members will not be treated disadvantageously on the grounds of such reports**

[Basic Policy]

Pursuant to the "Basic Policy of the SECOM Group for Compliance" and the "Internal Reporting Rules," the Company will keep the reported matters confidential, and promptly take necessary investigation and appropriate measures, while the reporter will suffer no disadvantage on the grounds of such report.

[Status of Operation]

Audit & Supervisory Board Members receive from the internal audit departments, in addition to the matters to be reported by Directors to Audit & Supervisory Board Members pursuant to the basic policies of internal control system, any matter internally reported through the whistle-blowing system, namely, "Hot Helpline" and "Group Head Office Helpline," etc., appropriately. A system under which a person who made a report is not treated disadvantageously has been complied with during the current fiscal year.

**(9) Matters regarding the policies for the procedures of the advance payment or reimbursement of expenses incurred for the execution of duties by the Audit & Supervisory Board Members and other processing of expenses or debts incurred for the execution of such duties**

[Basic Policy]

The Company bears the expenses incurred for the execution of duties by the Audit & Supervisory Board Members.

[Status of Operation]

Budget for expenses that will arise in relation to the execution of duties by Audit & Supervisory Board Members are determined by resolution of the Audit & Supervisory Board and reported to the Board of Directors. These expenses are paid by the Company.

[English Translation]

**(10) System under which audit by Audit & Supervisory Board Members is ensured to be performed efficiently**

[Basic Policy]

- (i) The Company establishes the system under which the Audit & Supervisory Board shall regularly hold meetings with the President and Representative Director and the Accounting Auditor, to exchange opinions so that audits shall be performed efficiently.
- (ii) The Audit & Supervisory Board Members attend the meetings of the Board of Directors, attend important meetings to exchange opinions regarding overall management-related matters, if necessary, and conduct periodical interviews with Directors and employees of the Company and the subsidiaries.
- (iii) The Company ensures that the Audit & Supervisory Board may retain attorneys-at-law at its discretion and, if necessary, have opportunities to retain and consult professional accountants with respect to their audit duties.

[Status of Operation]

During the current fiscal year, Audit & Supervisory Board Members held 11 meetings with the President and Representative Director and 13 meetings with Accounting Auditors to exchange opinions. In addition, Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings to exchange opinions, and conduct interviews with Directors and employees of the Company and its subsidiaries on a regular basis.

**2. Result of Evaluation of the Board of Directors**

The Company has conducted the evaluation of the Board of Directors through the questionnaires to Directors and Audit & Supervisory Board Members. As a result, the diversity of the Board of Directors was confirmed in light of the addition of a female Director, an increase in the number of Outside Directors, and an the maintaining of an appropriate number of Directors. Outside Directors are also actively expressing their opinions and thus the business execution and the oversight of the management are well-balanced. Meanwhile, there were constructive suggestions prompting further development of debate from a medium- to long-term perspective on subjects including specific discussion on major direction of business strategy in consideration of changes in the social environment, governance, and the risks associated therewith.

[English Translation]

## Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

ITEM	AMOUNT	ITEM	AMOUNT
<b><u>ASSETS</u></b>		<b><u>LIABILITIES</u></b>	
<b>Current assets:</b>	<b>968,815</b>	<b>Current liabilities:</b>	<b>379,324</b>
Cash and deposits	408,773	Notes and accounts payable - trade	41,130
Cash deposits for cash collection and deposit services	141,000	Short-term borrowings	31,577
Call loan	28,000	Current portion of bonds payable	271
Notes and accounts receivable - trade, and contract assets	169,918	Lease liabilities	5,227
Due from subscribers	47,642	Accounts payable - other	47,964
Securities	34,862	Income taxes payable	25,854
Lease receivables and investments in leases	41,344	Accrued consumption taxes	9,573
Merchandise and finished goods	19,035	Accrued expenses	11,357
Real estate for sale	4,237	Deposits received for cash collection and deposit services	121,062
Work in process	6,923	Deferred revenue	38,601
Raw materials and supplies	19,363	Provision for bonuses	20,648
Short-term loans receivable	3,979	Provision for bonuses for directors (and other officers)	85
Other	46,106	Provision for loss on construction contracts	1,687
Allowance for doubtful accounts	(2,372)	Other	24,280
<b>Non-current assets:</b>	<b>1,176,761</b>	<b>Non-current liabilities:</b>	<b>318,515</b>
<b>Property, plant and equipment</b>	<b>449,240</b>	Bonds payable	2,411
Buildings and structures	180,338	Long-term borrowings	10,138
Machinery, equipment and vehicles	11,425	Lease liabilities	22,720
Security equipment and control stations	87,780	Long-term guarantee deposits	24,099
Tools, furniture and fixtures	29,408	Deferred tax liabilities	25,289
Land	123,998	Provision for retirement benefits for directors (and other officers)	814
Construction in progress	16,288	Retirement benefit liability	21,572
<b>Intangible assets:</b>	<b>122,560</b>	Long-term deferred revenue	16,891
Software	27,119	Reserve for contract of insurance	190,373
Goodwill	58,782	Other	4,204
Other	36,657		
<b>Investments and other assets:</b>	<b>604,961</b>		
Investment securities	435,635		
Long-term loans receivable	20,117		
Leasehold and guarantee deposits	21,076		
Long-term prepaid expenses	23,908		
Retirement benefit asset	73,300		
Deferred tax assets	26,583		
Other	14,279		
Allowance for doubtful accounts	(9,939)		
		<b>Total liabilities</b>	<b>697,840</b>
		<b><u>NET ASSETS</u></b>	
		<b>Shareholders' equity:</b>	<b>1,189,247</b>
		Share capital	66,427
		Capital surplus	68,864
		Retained earnings	1,230,672
		Treasury shares	(176,716)
		<b>Accumulated other comprehensive income:</b>	<b>81,100</b>
		Valuation difference on available-for-sale securities	38,661
		Deferred gains or losses on hedges	(0)
		Foreign currency translation adjustment	34,960
		Remeasurements of defined benefit plans	7,478
		<b>Non-controlling interests:</b>	<b>177,388</b>
		<b>Total net assets</b>	<b>1, 447,736</b>
<b>TOTAL ASSETS</b>	<b>2,145,576</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2, 145,576</b>

[English Translation]

## Consolidated Statement of Income

(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of Yen)

ITEM	AMOUNT	
<b>Net sales</b>		<b>1,199,942</b>
Cost of sales	828,789	
<b>Gross profit</b>		<b>371,153</b>
Selling, general and administrative expenses	226,855	
<b>Operating profit</b>		<b>144,297</b>
<b>Non-operating income:</b>		
Interest income	3,701	
Dividend income	1,012	
Gain on sale of investment securities	32	
Share of profit of entities accounted for using equity method	8,625	
Gain on investments in investment partnerships	21,202	
Other	1,885	36,460
<b>Non-operating expenses:</b>		
Interest expenses	1,311	
Loss on sale of investment securities	108	
Loss on disposal of fixed assets	2,117	
Provision of allowance for doubtful accounts	5	
Other	2,092	5,634
<b>Ordinary profit</b>		<b>175,123</b>
<b>Extraordinary income:</b>		
Gain on sale of non-current assets	3,298	
Gain on sale of businesses	642	
Gain on sale of investment securities	311	
Other	298	4,550
<b>Extraordinary losses:</b>		
Impairment losses	2,879	
Loss on abandonment of non-current assets	514	
Loss on valuation of investment securities	399	
Dismantlement expenses	378	
Other	634	4,805
<b>Profit before income taxes</b>		<b>174,868</b>
Income taxes - current	47,521	
Income taxes - deferred	2,039	49,561
<b>Profit</b>		<b>125,306</b>
Profit attributable to non-controlling interests		17,197
<b>Profit attributable to owners of parent</b>		<b>108,109</b>

[English Translation]

## Consolidated Statement of Changes in Net Assets

(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	66,427	71,775	1,162,259	(149,978)	1,150,483
Changes during period					
Dividends of surplus			(39,697)		(39,697)
Profit attributable to owners of parent			108,109		108,109
Purchase of treasury shares				(30,013)	(30,013)
Disposal of treasury shares		1,815		3,276	5,091
Change in ownership interest of parent due to transactions with non-controlling interests		(4,726)			(4,726)
Net changes in items other than shareholders' equity					
Total changes during period	—	(2,910)	68,412	(26,737)	38,763
Balance at end of period	66,427	68,864	1,230,672	(176,716)	1,189,247

(Millions of Yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	40,637	(1)	22,259	10,995	73,890	166,314	1,390,689
Changes during period							
Dividends of surplus							(39,697)
Profit attributable to owners of parent							108,109
Purchase of treasury shares							(30,013)
Disposal of treasury shares							5,091
Change in ownership interest of parent due to transactions with non-controlling interests							(4,726)
Net changes in items other than shareholders' equity	(1,975)	1	12,701	(3,516)	7,209	11,074	18,283
Total changes during period	(1,975)	1	12,701	(3,516)	7,209	11,074	57,047
Balance at end of period	38,661	(0)	34,960	7,478	81,100	177,388	1,447,736

[English Translation]



## **Non-Consolidated Balance Sheet**

(As of March 31, 2025)

(Millions of Yen)

ITEM	AMOUNT	ITEM	AMOUNT
<b><u>ASSETS</u></b>		<b><u>LIABILITIES</u></b>	
<b>Current assets:</b>	<b>249,412</b>	<b>Current liabilities:</b>	<b>116,138</b>
Cash and deposits	129,046	Accounts payable - trade	4,732
Cash deposits for cash collection and deposit services	34,382	Short-term borrowings	19,283
Notes receivable - trade	324	Lease liabilities	328
Due from subscribers	20,354	Accounts payable - other	17,469
Accounts receivable-trade, and contract assets	14,219	Accounts payable - facilities	6,410
Accounts receivable – other	6,719	Income taxes payable	10,890
Merchandise	7,775	Accrued consumption taxes	3,683
Supplies	2,036	Accrued expenses	961
Prepaid expenses	10,808	Deposits received for cash collection and deposit services	15,097
Short-term loans receivable	21,421	Deferred revenue	22,968
Other	2,374	Provision for bonuses	6,988
Allowance for doubtful accounts	(50)	Provision for bonuses for directors (and other officers)	61
		Allowance for loss on contracts	391
<b>Non-current assets:</b>	<b>797,343</b>	Provision for shareholder benefit program	312
<b>Property, plant and equipment</b>	<b>132,475</b>	Other	6,557
Buildings	19,503		
Vehicles	622	<b>Non-current liabilities:</b>	<b>29,577</b>
Security equipment and control stations	80,477	Lease liabilities	3,278
Machinery and equipment		Long-term guarantee deposits	15,654
Tools, furniture and fixtures	133	Long-term deferred revenue	7,073
Land	4,144	Deferred tax liabilities	3,114
Construction in progress	19,924	Provision for retirement benefits	237
Other	6,454	Other	218
	1,215		
<b>Intangible assets:</b>		<b>Total liabilities</b>	<b>145,715</b>
Software	<b>17,605</b>		
Other	11,200	<b><u>NET ASSETS</u></b>	
	6,405	<b>Shareholders' equity:</b>	<b>888,272</b>
<b>Investments and other assets:</b>	<b>647,262</b>	<b>Share capital</b>	<b>66,427</b>
Investment securities	66,732	<b>Capital surplus:</b>	<b>89,902</b>
Shares of subsidiaries and associates	459,883	Legal capital surplus	83,103
Investments in capital of subsidiaries and associates	2,094	Other capital surplus	6,798
Long-term loans receivable	43,577	<b>Retained earnings:</b>	<b>908,659</b>
Leasehold and guarantee deposits	7,523	Legal retained earnings	9,028
Long-term prepaid expenses	17,252	Other retained earnings:	899,631
Prepaid pension costs	43,403	Reserve for system developments	800
Insurance funds	4,260	General reserve	2,212
Other	3,026	Retained earnings brought forward	896,619
Allowance for doubtful accounts	(491)	<b>Treasury shares</b>	<b>(176,716)</b>
		<b>Valuation and translation adjustments:</b>	<b>12,768</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>12,768</b>
		<b>Total net assets</b>	<b>901,041</b>
<b>TOTAL ASSETS</b>	<b>1,046,756</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,046,756</b>

[English Translation]

# **Non-Consolidated Statement of Income**

(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of Yen)

ITEM	AMOUNT	
<b>Net sales</b>		<b>416,862</b>
Cost of sales	251,651	
<b>Gross profit</b>		<b>165,210</b>
Selling, general and administrative expenses	89,161	
<b>Operating profit</b>		<b>76,049</b>
<b>Non-operating income:</b>		
Interest income	979	
Dividend income	39,263	
Other	288	40,531
<b>Non-operating expenses:</b>		
Interest expenses	123	
Loss on disposal of fixed assets	1,751	
Other	845	2,720
<b>Ordinary profit</b>		<b>113,860</b>
<b>Extraordinary income:</b>		
Gain on sale of property, plant and equipment	2,631	
Gain on sale of investment securities	8	2,639
<b>Extraordinary losses:</b>		
Impairment losses	1,037	
Loss on valuation of investment securities	345	
Dismantlement expenses	337	1,720
<b>Profit before income taxes</b>		<b>114,779</b>
Income taxes - current	19,413	
Income taxes - deferred	3,442	22,855
<b>Profit</b>		<b>91,924</b>

## Non-Consolidated Statement of Changes in Net Assets

(Fiscal Year from April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	66,427	83,103	4,983	88,087
Changes during period:				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			1,815	1,815
Net changes in items other than shareholders' equity				
Total changes during period	-	-	1,815	1,815
Balance at end of period	66,427	83,103	6,798	89,902

(Millions of Yen)

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
		Reserve for system developments	General reserve	Retained earnings brought forward	
Balance at beginning of period	9,028	800	2,212	844,392	856,433
Changes during period:					
Dividends of surplus				(39,697)	(39,697)
Profit				91,924	91,924
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	52,226	52,226
Balance at end of period	9,028	800	2,212	896,619	908,659

[English Translation]

(Millions of Yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
<b>Balance at beginning of period</b>	(149,978)	860,968	12,294	12,294	873,263
<b>Changes during period:</b>					
Dividends of surplus		(39,697)			(39,697)
Profit		91,924			91,924
Purchase of treasury shares	(30,013)	(30,013)			(30,013)
Disposal of treasury shares	3,276	5,091			5,091
Net changes in items other than shareholders' equity			473	473	473
<b>Total changes during period</b>	<b>(26,737)</b>	<b>27,304</b>	<b>473</b>	<b>473</b>	<b>27,778</b>
<b>Balance at end of period</b>	<b>(176,716)</b>	<b>888,272</b>	<b>12,768</b>	<b>12,768</b>	<b>901,041</b>

[English Translation]

## Accounting Auditor's Report (Consolidated)

### Independent Auditor's Report

May 21, 2025

To the Board of Directors of SECOM Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takashi Hasumi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shuji Ezawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of SECOM Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[English Translation]

## **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

[English Translation]

appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

[English Translation]

## Accounting Auditor's Report (Non-Consolidated)

### Independent Auditor's Report

May 21, 2025

To the Board of Directors of SECOM Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takashi Hasumi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shuji Ezawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of SECOM Co., Ltd. ("the Company") as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have

[English Translation]



obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

[English Translation]

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

[English Translation]

## Audit & Supervisory Board's Report

### Audit Report

Mr. Yasuyuki Yoshida  
President and Representative Director  
SECOM Co., Ltd.

May 21, 2025

Audit & Supervisory Board of  
SECOM Co., Ltd.

Takayuki Ito (Seal)  
Audit & Supervisory Board  
Member (Full-time)

Yasuhiro Tsuji (Seal)  
Audit & Supervisory Board  
Member (Full-time)

Hideki Kato (Seal)  
Outside Audit & Supervisory  
Board Member

Makoto Yasuda (Seal)  
Outside Audit & Supervisory  
Board Member

Setsuo Tanaka (Seal)  
Outside Audit & Supervisory  
Board Member

The Audit & Supervisory Board has received the audit reports of the performance of duties of the Directors during the 64th business term from April 1, 2024 through March 31, 2025 from each of the Audit & Supervisory Board Members. After deliberating such reports, we have prepared this Audit Report and report as follows:

#### 1. Method and Details of Audit Performed by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board has established the audit policy and audit plan for the current fiscal year, received reports on the status and results of audits from each Audit & Supervisory Board Member, received reports on the status of execution of duties from Directors, etc. and the Accounting Auditor, and requested explanations when necessary.

- (2) Each of the Audit & Supervisory Board Members, in accordance with the Audit & Supervisory Board audit standards determined by the Audit & Supervisory Board, and following the audit policy, audit plan, etc. worked to communicate with Directors, the internal audit division and other employees, etc., and along with making efforts to gather information and establish the audit environment, performed the audit using the following methods.
- (i) Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports from the Directors and other managers, etc. on their duties, requested explanations when necessary, inspected documents concerning matters such as important decisions, and investigated the conditions of the business and financial conditions at the head office and the principal offices. Also, each Audit & Supervisory Board Members worked to communicate and exchange information with Directors and Audit & Supervisory Board Members of subsidiaries, receiving reports from subsidiaries when necessary.
  - (ii) The Audit & Supervisory Board Members, on a regular basis, received reports from Directors and employees, etc. on the establishment and operation of the system (internal control system) based on the resolution of the Board of Directors as stipulated in Article 100, Paragraph 1 or Paragraph 3 of the Companies Act Enforcement Order to ensure the system under which the execution of duties by Directors is ensured to comply with laws and regulations and the Articles of Incorporation and to ensure the system under which the group of enterprises consisting of the Company and its subsidiaries is ensured to properly execute its business, both of which are on the Business Report, obtained explanation from them, and expressed opinions when necessary.
  - (iii) The Audit & Supervisory Board Members received reports from Directors, etc. and the Accounting Auditor on the status of discussions between them and the status of evaluation and audit of the internal control on financial reporting, and requested explanations as necessary.
  - (iv) In addition to monitoring and examining whether the Accounting Auditor maintained independence and performed auditing appropriately, the Audit & Supervisory Board Members received reports from the Accounting Auditor on the execution of their duties and requested explanations when necessary. The Audit & Supervisory Board received notice from the Accounting Auditor that “The systems for ensuring the proper execution of duties” (set forth in each Item of Article 131 of the Ordinance for Corporate Accounting) is organized in accordance with the “Standards for Quality Control of Audit” (Business Accounting Council) and other relevant standards, and sought explanations when necessary.

Based on the above methods, the Audit & Supervisory Board has considered the Business Report and its supplementary schedules, the financial statements (balance sheet, statement of income, statement of changes in net assets and related notes) and its supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and related notes) for the current fiscal year.

## 2. Result of audit

### (1) Result of audit of business report etc.

- i) The Business Report and supplementary schedules fairly represent the condition of the Company in accordance with laws and regulations and the Articles of Incorporation of the Company.
- ii) We have determined that there were no serious occurrences of misconduct or violations of any laws or regulations or the Articles of Incorporation of the Company by any of the Directors in carrying out their duties.
- iii) We believe the contents of the resolution of the Board of Directors regarding the internal control system are appropriate. We found no matters to note regarding the execution of duties of Directors regarding the internal control system, as well as the internal control system regarding financial reporting.

### (2) Result of audit of financial statements and supplementary schedules

In our opinion, the audit procedures and audit results of the Accounting Auditor KPMG AZSA LLC are appropriate.

### (3) Result of audit of consolidated financial statements

In our opinion, the audit procedures and audit results of the Accounting Auditor KPMG AZSA LLC are appropriate.

### **Notes to the Reader of Audit Report:**

This is an English translation of the Audit Report as required by the Companies Act of Japan for the conveniences of the reader.

End