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## QUARTERLY FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

(Based on JAPANESE GAAP) (Consolidated)

February 12, 2025

Company name: SECOM CO., LTD. (URL: <https://www.secom.co.jp/>)  
 Code number: 9735 Tokyo Stock Exchange ----- Prime Market  
 Representative: Yasuyuki Yoshida, President and Representative Director  
 Inquiries: Seiya Nagao, Executive Director  
 Phone (03) 5775-8100  
 Scheduled date of dividend payout: —  
 Preparation of supplementary materials: Applicable  
 Holding of results information meeting: None

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

### 1. Consolidated financial results for the nine-month period ended December 31, 2024 (April 1, 2024 – December 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
Nine-month period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	864,615	3.5	100,259	(3.3)	129,375	8.1	79,445	4.1
December 31, 2023	835,626	5.2	103,644	3.6	119,721	6.7	76,346	6.2

Note: Comprehensive income      Nine-month period ended December 31, 2024: JPY 92,113 million    [(17.0%)]  
    Nine-month period ended December 31, 2023: JPY 110,933 million    [(12.2%)]

	Basic net income per share	Diluted net income per share
Nine-month period ended	Yen	Yen
December 31, 2024	190.92	—
December 31, 2023	180.11	—

Note 1: There is no diluted net income per share as there are no shares with dilutive effect.

Note 2: The Company implemented a 2 for 1 common stock split on October 1, 2024. Basic net income per share is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
December 31, 2024	2,099,498	1,399,809	58.6	2,964.75
March 31, 2024	2,080,781	1,390,689	58.8	2,908.37

Reference: Equity

As of December 31, 2024: JPY 1,229,633 million  
 As of March 31, 2024: JPY 1,224,374 million

SECOM CO., LTD.  
February 12, 2025

Note 1: Equity is calculated by deducting noncontrolling interests from net assets. Net assets per share is calculated by dividing equity by the number of common shares outstanding, excluding treasury stock, as of each period-end.

Note 2: The Company implemented a 2 for 1 common stock split on October 1, 2024. Net assets per share is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

## 2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	95.00	—	95.00	190.00
Fiscal year ending March 31, 2025	—	95.00	—		
Fiscal year ending March 31, 2025 (Projected)				50.00	—

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

The Company implemented a 2 for 1 common stock split on October 1, 2024. Projected year-end dividend for the fiscal year ending March 31, 2025 takes into account the effect of this stock split, and the total amount of annual dividends per share is displayed as “—.” Without considering the stock split, the projected year-end dividend per share for the fiscal year ending March 31, 2025 is 100.00 yen, resulting in an annual dividends per share of 195.00 yen.

## 3. Projections for the consolidated financial results for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

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

	Projected revenue		Projected operating profit		Projected ordinary profit		Projected net income attributable to owners of the parent		Projected basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2025	1,192,400	3.3	140,800	0.1	168,900	1.2	104,600	2.6	251.57

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

The Company implemented a 2 for 1 common stock split on October 1, 2024. Projected basic net income per share is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ending March 31, 2025. Without considering the stock split, the projected basic net income per share is 503.15 yen.

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	466,599,796 shares
As of March 31, 2024	466,599,796 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	51,848,871 shares
As of March 31, 2024	45,616,920 shares

- (iii) Average number of shares outstanding during the period (nine-month period)

The nine-month period ended December 31, 2024	416,129,217 shares
The nine-month period ended December 31, 2023	423,895,382 shares

Note : The Company implemented a 2 for 1 common stock split on October 1, 2024. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements including the future performance described in this document are provided based on both all information available at this moment and certain assumptions considered reasonable. Actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred. For matters regarding assumptions on financial projections and notes for the use of financial projections, please refer to “1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2024 (3) Qualitative Information Regarding Consolidated Financial Projections” on page 4 in the appendices.

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Independent Auditor's Report on Review of Interim Consolidated Financial Statements

# **1. Qualitative Information Regarding the Nine-month Period Ended December 31, 2024**

## **(1) Qualitative Information Regarding Consolidated Financial Results**

During the nine-month period ended December 31, 2024, the Japanese economy showed movements of recovery in some areas such as business investment and private consumption amid the improvements in the employment and income environment. On the other hand, continual attention has been required to downside risks in the economy due to the continued high interest rate levels in Europe and the U.S., the rising prices, the forthcoming policy trends in the U.S. and the situation in the Middle East and other regions, as well as the trend of financial and capital market.

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 November 2024, we launched a new model of SECOM Home Security NEO controller with expanded functions and improved design and promoted the sales of security systems for residential use. In December, we also released a new service for access control systems that provides users' smartphones with the information required for authentication and ensures secure and speedy authentication employing our distinctive technology. In the period under review, we continued to provide meticulous and seamless services through various initiatives to satisfy the increasingly diversified and sophisticated needs of our customers for their safety and peace of mind.

In 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.

Consolidated revenue for the nine-month period ended December 31, 2024 was 864.6 billion yen, up 3.5% from the previous corresponding period, chiefly owing to the increases in revenue in security services, fire protection services and medical services. Consolidated operating profit decreased by 3.3% to 100.2 billion yen, attributable to the effect of the decreases in operating profit mainly in insurance services, geospatial information services and BPO and ICT services, despite the increases in operating profit chiefly in security services and fire protection services. Consolidated ordinary profit increased by 8.1% to 129.3 billion yen, mainly due to the increase in net gains on private equity investment in the U.S. etc., by 11.4 billion yen. Net income attributable to owners of the parent was up by 4.1% to 79.4 billion yen, chiefly owing to the increase in ordinary profit by 8.1%, despite the increase in net income attributable to noncontrolling interests. For the nine-month period ended December 31, 2024, revenue, ordinary profit and net income attributable to owners of the parent reached a record-high.

Segment information is as follows.

In the security services segment, revenue increased by 2.7% to 464.0 billion yen, mainly due to the brisk sales of on-line security systems for commercial and residential use and the effects of price increases, as well as the rise in revenue in static guard services. Operating profit increased by 1.5% to 86.2 billion yen.

In the fire protection services segment, revenue increased by 9.2% to 118.5 billion yen, attributable to the increase in revenue in fire extinguishing systems and fire alarm systems. Operating profit increased by 77.5% to 9.2 billion yen, chiefly owing to the improvement in cost ratio. Revenue tends to increase toward the end of the fiscal year, due to the fact that this segment is greatly affected by the construction industry.

In the medical services segment, revenue increased by 8.2% to 64.9 billion yen, mainly due to the brisk sales of pharmaceuticals and medical equipment. Operating profit decreased by 10.3% to 4.3 billion yen, chiefly attributable to the rise in cost ratio.

In the insurance services segment, revenue increased by 1.0% to 43.3 billion yen, due to the increase in underwriting income, despite the decrease in investment income. Operating profit was down 38.9% to 6.1 billion yen, largely attributable to the decrease in investment income and increase in underwriting expenses, as well as the rise in selling, general and administrative expenses including system investments.

In the geospatial information services segment, revenue decreased by 1.5% to 37.8 billion yen, owing to the decrease in revenue mainly in the domestic public sector division. Operating loss was 1.4 billion yen, compared with an operating loss of 6 million yen in the previous corresponding period, largely attributable to the decrease in revenue and increase in personnel expenses. Revenue tends to concentrate toward the end of the fiscal year, due to the fact that deliveries of public-sector contracts, which is the primary market for this segment, are mainly made at the end of March.

In the BPO and ICT services segment, revenue increased by 0.7% to 94.4 billion yen, chiefly owing to the brisk sales of servers and other equipment as well as the increase in revenue in data center services, despite the decrease in revenue in TMJ, Inc., a provider of BPO services including contact centers and back office services. Operating profit was down 25.3% to 5.9 billion yen, attributable to the rise in cost largely owing to the operation commencement of the new data center and the increase in selling, general and administrative expenses mainly due to the rise in personnel expenses.

In the other services segment, revenue increased by 3.5% to 41.3 billion yen. Operating profit rose by 10.3% to 5.8 billion yen.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

### **Consolidated Balance Sheets**

Total assets as of December 31, 2024 amounted to 2,099.4 billion yen, 0.9% or 18.7 billion yen higher than that at the end of the previous fiscal year. Total current assets, at 927.9 billion yen, were down 1.0% or 9.6 billion yen. This was largely attributable to the decreases in cash on hand and in banks by 16.5% or 72.6 billion yen to 368.3 billion yen and notes and accounts receivable - trade and contract assets by 13.6% or 22.0 billion yen to 140.2 billion yen, despite the increases in cash deposits for armored car services by 31.9% or 44.1 billion yen to 182.7 billion yen and short-term investments by 47.0% or 9.2 billion yen to 28.8 billion yen, and the recognition of call loans of 26.0 billion yen. Total fixed assets, at 1,171.5 billion yen, were up 2.5% or 28.3 billion yen from the end of the previous fiscal year. This was mainly attributable to the increases in investment securities by 3.3% or 13.9 billion yen to 439.6 billion yen and tangible assets by 2.7% or 11.4 billion yen to 443.8 billion yen.

Total liabilities amounted to 699.6 billion yen, 1.4% or 9.5 billion yen higher than that at the end of the previous fiscal year. Total current liabilities amounted to 383.0 billion yen, up 1.3% or 4.7 billion yen, owing to the increase in deposits received for armored car services by 30.0% or 37.0 billion yen to 160.5 billion yen, despite the decreases in accrued income taxes by 65.5% or 17.6 billion yen to 9.2 billion yen and accrued bonuses by 58.4% or 11.5 billion yen to 8.2 billion yen. Long-term liabilities increased by 1.6% or 4.8 billion yen to 316.6 billion yen, owing to the increase in deferred income taxes by 40.7% or 8.0 billion yen to 27.8 billion yen.

Total net assets amounted to 1,399.8 billion yen, 0.7% or 9.1 billion yen higher than that at the end of the previous fiscal year, mainly due to the increase in retained earnings by 3.4% or 39.7 billion yen, despite the decrease in common stock in treasury, at cost by 20.0% or 29.9 billion yen.

### **(3) Qualitative Information Regarding Consolidated Financial Projections**

Projections for the consolidated financial results for the fiscal year ending March 31, 2025 have not been changed from those disclosed on November 8, 2024.

(Notes for financial projections)

Projections for the consolidated financial results for the fiscal year ending March 31, 2025, are based on management's assumptions in light of information currently available. As actual performance may differ materially from the forward-looking statements due to various factors hereafter occurred, you should refrain from making an investment decision by solely relying on these projections. Such factors include, but are not limited to, changes in economic conditions affecting our group's operations, market trends, legislative changes, occurrences of natural disasters, recalls of products sold and the results of contingency.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Balance Sheets

	(In millions of yen)	
	March 31, 2024	December 31, 2024
<b>ASSETS:</b>		
Current assets:		
Cash on hand and in banks	440,936	368,306
Cash deposits for armored car services	138,562	182,752
Call loans	—	26,000
Notes and accounts receivable - trade and contract assets	162,325	140,295
Due from subscribers	48,367	46,932
Short-term investments	19,652	28,885
Lease receivables and investment in leased assets	40,007	39,085
Merchandise and products	21,545	20,935
Real estate inventories	3,501	3,865
Work in process	6,368	9,482
Raw materials and supplies	20,088	20,834
Short-term loans receivable	2,448	2,441
Other	35,919	40,325
Allowance for doubtful accounts	(2,143)	(2,229)
Total current assets	937,580	927,913
Fixed assets:		
Tangible assets:		
Buildings and improvements, net	154,626	177,580
Machinery, equipment and vehicles, net	10,201	11,440
Security equipment and control stations, net	82,354	86,214
Tools, furniture and fixtures, net	26,460	28,676
Land	126,235	125,805
Construction in progress	32,443	14,091
Total tangible assets	432,321	443,808
Intangible assets:		
Software	21,625	25,881
Goodwill	63,505	60,458
Other	39,739	38,292
Total Intangible assets	124,871	124,632
Investments and others:		
Investment securities	425,696	439,600
Long-term loans receivable	23,334	21,816
Lease deposits	20,095	21,207
Long-term prepaid expenses	20,457	20,817
Net defined benefit asset	69,583	73,092
Deferred income taxes	23,276	23,053
Other	13,849	13,641
Allowance for doubtful accounts	(10,284)	(10,084)
Total investments and others	586,008	603,143
Total fixed assets	1,143,201	1,171,585
Total assets	2,080,781	2,099,498



# **(1) Consolidated Balance Sheets (Continued)**

	(In millions of yen)	
	March 31, 2024	December 31, 2024
<b>LIABILITIES:</b>		
Current liabilities:		
Notes and accounts payable, trade	41,003	37,463
Bank loans	26,910	29,454
Current portion of straight bonds	398	335
Lease obligations	5,186	5,276
Payables - other	51,043	44,733
Accrued income taxes	26,895	9,276
Accrued consumption taxes	11,620	10,704
Accrued expenses	11,177	11,203
Deposits received for armored car services	123,521	160,590
Deferred revenue	37,565	39,597
Accrued bonuses	19,794	8,235
Accrued bonuses to directors	71	80
Provision for losses on construction contracts	2,352	1,983
Other	20,802	24,149
Total current liabilities	378,343	383,084
Long-term liabilities:		
Straight bonds	2,683	2,544
Long-term loans	10,924	10,430
Lease obligations	22,863	22,937
Guarantee deposits received	23,701	23,701
Deferred income taxes	19,824	27,883
Accrued retirement benefits for directors and audit and supervisory board members	792	788
Net defined benefit liability	22,308	22,950
Long-term deferred revenue	15,868	16,723
Investment deposits by policyholders, unearned premiums and other insurance liabilities	188,103	184,403
Other	4,678	4,237
Total long-term liabilities	311,749	316,603
Total liabilities	690,092	699,688
<b>NET ASSETS:</b>		
Shareholders' equity:		
Common stock	66,427	66,427
Capital surplus	71,775	67,062
Retained earnings	1,162,259	1,202,008
Common stock in treasury, at cost	(149,978)	(179,942)
Total shareholders' equity	1,150,483	1,155,555
Accumulated other comprehensive income (losses):		
Unrealized gains on securities	40,637	41,409
Deferred losses on hedges	(1)	(0)
Foreign currency translation adjustments	22,259	22,978
Remeasurements of defined benefit plans, net of taxes	10,995	9,689
Total accumulated other comprehensive income (losses)	73,890	74,078
Noncontrolling interests	166,314	170,176
Total net assets	1,390,689	1,399,809
Total liabilities and net assets	2,080,781	2,099,498

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

### Consolidated Statements of Income

	(In millions of yen)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Revenue	835,626	864,615
Costs of revenue	572,260	598,256
Gross profit	263,365	266,358
Selling, general and administrative expenses:		
Advertising expenses	4,030	3,359
Salaries and allowances	59,100	61,382
Bonuses	10,921	11,445
Provision for bonuses	2,984	3,264
Retirement benefit expenses	1,753	1,500
Provision for retirement benefits for directors	64	58
Other personnel expenses	13,717	14,307
Depreciation	8,117	9,148
Rent expenses	9,556	9,963
Communication expenses	3,441	3,387
Enterprise tax	3,232	3,253
Provision of allowance for doubtful accounts	279	34
Amortization of goodwill	4,925	4,941
Other	37,594	40,050
Total selling, general and administrative expenses	159,720	166,098
Operating profit	103,644	100,259
Non-operating profit:		
Interest income	1,966	2,802
Dividends income	859	983
Gain on sales of investment securities	376	21
Gains from investment in affiliated companies accounted for under the equity method	6,784	6,896
Gains on private equity investment	8,902	20,369
Other	1,495	2,092
Total non-operating profit	20,385	33,165
Non-operating expenses:		
Interest expenses	725	981
Losses on sales of investment securities	1,319	96
Losses on sales and disposal of fixed assets	1,159	1,326
Other	1,104	1,644
Total non-operating expenses	4,308	4,049
Ordinary profit	119,721	129,375
Extraordinary profit:		
Gain on sales of businesses	—	792
Gain on sales of fixed assets	1,130	525
Gain on sales of investment securities	227	0
Insurance claim income	1,625	—
Other	313	254
Total extraordinary profit	3,296	1,572
Extraordinary losses:		
Losses on disposal of fixed assets	189	292
Impairment losses on fixed assets	522	132
Loss on valuation of investment securities	332	84
Other	319	332
Total extraordinary losses	1,363	842
Income before income taxes	121,654	130,105
Income taxes - current	29,124	29,681
Income taxes - deferred	9,711	8,404
Total income taxes	38,836	38,085
Net income	82,818	92,020
Net income attributable to noncontrolling interests	6,472	12,574
Net income attributable to owners of the parent	76,346	79,445

## Consolidated Statements of Comprehensive Income

	(In millions of yen)	
	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2024
Net income	82,818	92,020
Other comprehensive income (losses):		
Unrealized gains (losses) on securities	9,714	792
Foreign currency translation adjustments	16,027	1,354
Remeasurements of defined benefit plans, net of taxes	(1,078)	(1,410)
Share of other comprehensive income (losses) of affiliated companies accounted for under the equity method	3,451	(643)
Total other comprehensive income (losses)	28,114	92
Comprehensive income	110,933	92,113
Comprehensive income attributable to:		
Owners of the parent company	102,395	79,633
Noncontrolling interests	8,538	12,480

### **(3) Notes Regarding the Consolidated Quarterly Financial Statement**

#### **[Notes Regarding Compliance Framework]**

The quarterly consolidated financial statements of the Company have been prepared in accordance with Article 4, Paragraph 1 of the Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the accounting principles for quarterly financial statements generally accepted in Japan. However, the omission of a statement set forth in Article 4, Paragraph 2 of the aforementioned Standard for Preparation of Quarterly Financial Statements is applied.

[Segment Information, etc.]

Segment Information

I. Nine-month Period Ended December 31, 2023

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

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geospatial information services
Revenue:					
Revenue from security contracts	385,647	—	—	—	—
Other	59,664	108,528	54,474	511	38,456
Revenue from contracts with customers	445,311	108,528	54,474	511	38,456
Other revenue	6,648	—	5,565	42,364	—
Customers	451,960	108,528	60,039	42,875	38,456
Intersegment	9,765	2,364	180	2,037	156
Subtotal	461,725	110,893	60,220	44,913	38,613
Segment profit(loss)	84,972	5,208	4,841	10,036	(6)

	Reportable segments		Other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Revenue from security contracts	—	385,647	—	385,647	—	385,647
Other	93,785	355,421	27,525	382,947	—	382,947
Revenue from contracts with customers	93,785	741,068	27,525	768,594	—	768,594
Other revenue	—	54,577	12,454	67,032	—	67,032
Customers	93,785	795,646	39,980	835,626	—	835,626
Intersegment	9,406	23,911	1,024	24,936	(24,936)	—
Subtotal	103,192	819,558	41,004	860,563	(24,936)	835,626
Segment profit(loss)	7,962	113,016	5,325	118,341	(14,696)	103,644

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

Note 2: Adjustment of segment profit includes intersegment elimination of 282 million yen and corporate expenses not allocated to each reportable segment of 14,414 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

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

## II. Nine-month Period Ended December 31, 2024

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

(In millions of yen)

	Reportable segments				
	Security services	Fire protection services	Medical services	Insurance services	Geospatial information services
Revenue:					
Revenue from security contracts	395,006	—	—	—	—
Other	62,866	118,564	59,315	533	37,863
Revenue from contracts with customers	457,873	118,564	59,315	533	37,863
Other revenue	6,208	—	5,622	42,782	—
Customers	464,082	118,564	64,937	43,315	37,863
Intersegment	10,704	2,188	44	2,305	136
Subtotal	474,787	120,753	64,982	45,620	38,000
Segment profit(loss)	86,223	9,248	4,341	6,129	(1,442)

	Reportable segments		Other services (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	BPO and ICT services	Subtotal				
Revenue:						
Revenue from security contracts	—	395,006	—	395,006	—	395,006
Other	94,484	373,628	28,693	402,322	—	402,322
Revenue from contracts with customers	94,484	768,635	28,693	797,329	—	797,329
Other revenue	—	54,613	12,672	67,285	—	67,285
Customers	94,484	823,249	41,365	864,615	—	864,615
Intersegment	7,808	23,188	1,066	24,255	(24,255)	—
Subtotal	102,293	846,437	42,432	888,870	(24,255)	864,615
Segment profit(loss)	5,949	110,449	5,874	116,323	(16,064)	100,259

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

Note 2: Adjustment of segment profit includes intersegment elimination of 806 million yen and corporate expenses not allocated to each reportable segment of 15,257 million yen. Major components of corporate expenses are expenses regarding planning, personnel and administrative departments of the Company's headquarter, etc.

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

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

Based on the resolution adopted by its Board of Directors at the meeting held on May 10, 2024, the Company repurchased 3,114,100 shares of its own shares. As a result, the amount of treasury stock was 179,942 million yen at the end of the nine-month period ended December 31, 2024, with the increase of 29,964 million yen during the nine-month period ended December 31, 2024.

#### [Notes Regarding the Assumption of Going Concern]

Not applicable.

**[Notes Regarding Quarterly Consolidated Statements of Cash Flows]**

Quarterly consolidated statements of cash flows for the nine-month period ended December 31, 2024 have not been prepared.

Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine-month period ended December 31, 2024 under review are as follows.

	Nine-month period ended 31 December, 2023	Nine-month period ended 31 December, 2024
Depreciation and amortization	47,475 million yen	51,246 million yen
Amortization of goodwill	4,925	4,941

## **Independent Auditor's Report on Review of Interim Consolidated Financial Statements**

February 12, 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

### **Conclusion**

We have reviewed the accompanying interim consolidated financial statements of SECOM Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Attached Documents" in the Quarterly Financial Reports, which comprise the interim consolidated balance sheet as at December 31, 2024, the interim consolidated statements of income and comprehensive income for the nine-month period ended December 31, 2024, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. ("the Standard") (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.

### **Basis for Conclusion**

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

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



Management is responsible for the preparation and presentation of the interim consolidated financial statements in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim 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 Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 Review of the Interim Consolidated Financial Statements**

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review in our report on the review of interim consolidated financial statements.

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

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, if a material uncertainty relating to events or conditions comes to our attention 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 report on the review of interim consolidated financial statements to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of interim consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the interim consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting

principles generally accepted in Japan.

- Plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the interim consolidated 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 review conclusion.

We communicate with corporate auditors and the board of corporate auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

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**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on Review of Interim Consolidated Financial Statements as required by the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.