

[TRANSLATION]

May 21, 2026

To whom it may concern:

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Notice Regarding Board of Directors' Opinion in Response to Shareholder Proposal

SECOM CO., LTD. (the "Company") has received a shareholder proposal (the "Shareholder Proposal") from LONGCHAMP SICAV (Dalton Investments, Inc. as a proxy; the "Shareholder"), to be presented at the 65th Ordinary General Meeting of Shareholders to be held on June 26, 2026 (the "General Meeting"), and has carefully considered the contents of the Shareholder Proposal. As a result of that consideration, the Company hereby announces that, at its meeting held today, the Company's Board of Directors resolved to oppose the Shareholder Proposal.

Details

I. Details of and reasons for the Shareholder Proposal

1. Agenda

- (i) Amendments to the Articles of Incorporation regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price
- (ii) Amendments to the Articles of Incorporation regarding the Record Date of the Ordinary General Meeting of Shareholders

2. Summary of and reason for the proposal

As per the attached "Details of the Shareholder Proposal"

Please note that the attached "Details of the Shareholder Proposal" is a reproduction of the relevant sections of the Shareholder Proposal as received in writing from the Shareholder.

II. Opinion of the Board of Directors in response to the Shareholder Proposal

Agenda (i) Amendments to the Articles of Incorporation regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price

1. Board of Directors' opinion

The Board of Directors opposes the Shareholder Proposal.

2. Reasons for opposition

In order to further clarify the direction which the Company should aim for in the future and to further ensure growth, the Company has formulated the SECOM Group Road Map 2027 and lists the implementation of investment in growth while remaining aware of cost of capital as one of its financial strategies. In addition, the Company continuously engages in discussion regarding such matters as capital policy at its Board of Directors' meetings, and also discloses its endeavors for enhancing capital efficiency in materials such as the integrated report.

As noted in the presentation material, Financial Results for the Fiscal Year Ended March 31, 2026, the Company understands that its cost of shareholders' equity is approximately 5 to 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 Shareholder Proposal seeks to newly add provisions regarding initiatives in response to Tokyo Stock Exchange's request for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" to the Articles of Incorporation, but the Company has already been pursuing initiatives related to such request. Moreover, 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 material, Financial Results for the Fiscal Year Ended March 31, 2026, we also disclosed the Group's capital allocation policy and our approach for continuous initiatives aimed at optimizing the business portfolio. Going forward, we will continuously consider our optimum business portfolio, and appropriately distribute funds for "investment for growth" including proactive investment towards human resources and M&As, and "continuous investment" aiming to strengthen our business foundation. By these, we will endeavor to realize sustainable growth and to enhance shareholder returns in a stable and continuous manner.

For the reasons above, the Board of Directors opposes the Shareholder Proposal.

Reference: SECOM Group Road Map 2027

https://www.secom.co.jp/english/ir/lib_2023/Roadmap2027e.pdf

Reference: Financial Results for the Fiscal Year Ended March 31, 2026

https://www.secom.co.jp/corporate/ir/lib_2026/kessan38-3-p.pdf

Reference: Shareholder returns

| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|---|----------------|----------------|---------------------------------|---------------------------------|---------------------------------|
| Full-year dividend per share | ¥185 | ¥190 | ¥195 (Pre-stock-split basis) | ¥200 (Pre-stock-split basis) | ¥240 (Pre-stock-split basis) |
| Amount of repurchases of the Company's own shares | ¥29.78 billion | ¥43.99 billion | ¥30.00 billion | ¥60.00 billion | ¥100.0 billion (Planned) |

Notes:

1. The full-year dividend per share for fiscal 2025 (ended March 31, 2026) is subject to approval of the Company's proposal at the General Meeting.
2. The full-year dividend per share for fiscal 2026 (ending March 31, 2027) is the dividend forecast amount.

Agenda (ii) Amendments to the Articles of Incorporation regarding the Record Date of the Ordinary General Meeting of Shareholders

1. Board of Directors' opinion

The Board of Directors opposes the Shareholder Proposal.

2. Reasons for opposition

The intent of the Shareholder Proposal is to arrange an environment in which the shareholders may consider important information including the annual securities report with sufficient time by changing

the record date for voting rights to May 15.

With an understanding of the importance to arrange such environment, the Company has also endeavored to enhance the delivery of information necessary for the shareholders to exercise their votes.

In specific, in the convocation notice disclosed at least three (3) weeks prior to the date of the Ordinary General Meeting of Shareholders, the Company describes in its business report such matters as the issues the Company has to cope with, the amount of remuneration of its directors and Audit & Supervisory Board members and the method of its determination, and discloses them together with the financial statements and audit reports. In addition, the Company described in the integrated report the details of such matters as its management strategies, governance system and capital policies, and provided information necessary to exercise votes with a reasonable amount of time.

Furthermore, the Company promotes early disclosure of the annual securities report, and makes continuous endeavors for disclosure prior to the general meeting of shareholders, with respect to the annual securities report for the fiscal year ending March 31, 2026 also.

On the other hand, the Company has determined the timing for the convocation of the Ordinary General Meeting of Shareholders as June (*1), and the Shareholder Proposal is unlikely to produce the secondary effect expected by the Shareholder of dispersing the dates of the general meeting of shareholders even if the record date for voting rights is determined as May 15. Rather, since it will shorten the period from the record date for voting rights till the date of the general meeting of shareholders to approximately half of the current period at the longest, the timing of dispatch of the convocation notice is likely to become nearer to the date of the general shareholders meeting than the present, in which case it would result in failing to meet the intent of the Shareholder Proposal.

In addition, since the record date of the year-end dividend of the Company is March 31 (*2), if the timing of the Ordinary General Meeting of Shareholders is determined as July or thereafter in line with the intent of the Shareholder Proposal, it would violate the provisions of the Companies Act which provide that the effective date of dividends must be within three (3) months from the record date of dividends (*3).

As described above, the Shareholder Proposal does not sufficiently take into account the relationship between the provisions of the Companies Act and the other provisions of the Company's Articles of Incorporation.

For the reasons above, the Board of Directors opposes the Shareholder Proposal.

The Company will also continuously endeavor to expand and speed up information provision which contributes to the shareholders' judgment in the future.

*1: Article 12 of the Articles of Incorporation (Timing of convocation of the general meeting of shareholders)

The Ordinary General Meeting of Shareholders shall be convened in June of every year, and the Extraordinary General Meeting of Shareholders shall be convened from time to time as necessary.

*2: Article 48 of the Articles of Incorporation (Record date of distribution of surplus money)

1. The record date of year-end dividends of the Company shall be March 31 of every year.

2. Other than the preceding provision, surplus money may be distributed by determining a record date.

*3: Article 124 of the Companies Act (Record Date)

(1) A Stock Company may, by prescribing a certain date (hereinafter in this Chapter referred to as a "Record Date"), prescribe the shareholders that have been entered or recorded in the shareholder register as of the Record Date (hereinafter in this Article referred to as

"Shareholders as of the Record Date") as the persons that may exercise their rights.

(2) In cases where a Record Date is to be established, the Stock Company must prescribe the content of the rights which the Shareholders on the Record Date may exercise (limited to those which are exercised within three months from the Record Date).

(3) to (5) (omitted)

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(Appendix “Details of the Shareholder Proposal”)

Note: The relevant descriptions of the Shareholder Proposal submitted by the Proposing Shareholder set forth are English translation of the document released in Japanese. If there are any discrepancies between the translation and the original Japanese text, the latter shall prevail.

- I. Proposed agenda
 - 1. Amendments to the Articles of Incorporation regarding Action to Implement Management that is Conscious of Cost of Capital and Stock Price
 - 2. Amendments to the Articles of Incorporation regarding the Record Date of the Ordinary General Meeting of Shareholders
- II. Summary of the agenda and the reason for the proposal
 - 1. 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 the following provision to the Company’s Articles of Incorporation. 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.

(Underlines indicate the changes)

| Pre-amendment | Post-amendment |
|---------------------|---|
| (Newly established) | <u>Chapter 8 Disclosure</u> <u>(Disclosure regarding the Management that is Conscious of Cost of Capital and Stock Price)</u> <u>Article 51</u> <u>As long as the Company remains as listed company, the Company will verify the appropriateness of its initiatives and contents of disclosures 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, and disclose the details of its initiatives in accordance with the items in the Key Points and Examples in its Corporate Governance Report and on its website.</u> |

(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.

The Company has completed disclosure based on the TSE Request, and in addition to setting forth a 10% ROE target for the year ending March 31, 2028, since 2022, it has continued to repurchase its own shares to improve capital efficiency. However, the Company has not disclosed information on its policy on the allocation of management resources, including the scale of shareholder returns; specific measures and progress ahead of its

achievement of 10% ROE; or a breakdown of individual ROE components. We recognize these disclosures to be insufficient from the investor’s point of view, as well as issues with the specificity and effectiveness of said disclosures.

The Key Points and Examples demand “fundamental initiatives with an awareness of the appropriate allocation of management resources” and “Explanation of efforts in relation to medium- to long-term goals.” Rather than simply presenting numerical targets, it is important to clarify the specific roadmaps for achieving these targets. The Company must therefore examine its desired future balance sheet structure after breaking down individual ROE components, and clearly disclose its cash allocation policy, including investments for growth and shareholder returns. The Company must also provide clear details of how each of its initiatives is linked to the achievement of its targets. We believe that by disclosing such specific information, the Company can clarify its initiatives aimed at medium- to long-term corporate value enhancement in line with the purpose of the TSE Request, and fulfil the expectations of its shareholders and investors.

2. Amendments to the Articles of Incorporation regarding the Record Date of the Ordinary General Meeting of Shareholders

(1) Summary of the agenda

Amend Article 13 of the Company’s Articles of Incorporation as below. In the event that the approval of other proposals at Ordinary 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.

(Underlines indicate the changes)

| Pre-amendment | Post-amendment |
|---|---|
| (Record Date of the Ordinary General Meeting of Shareholders) Article 13 The record date for voting rights at the Company’s Ordinary General Meeting of Shareholders shall be March 31 of each year. <u>2. (Newly established)</u> | (Record Date of the Ordinary General Meeting of Shareholders) Article 13 The record date for voting rights at the Company’s Ordinary General Meeting of Shareholders shall be <u>May 15</u> of each year. <u>2. Notwithstanding the provision of the preceding paragraph, if necessary, the Company may set a record date by giving prior public notice upon resolution by the Board of Directors.</u> |

(2) Reasons for the proposal

The current record date for voting rights at the Company’s Ordinary General Meeting of Shareholders is March 31, and in line with the Companies Act, the General Meeting of Shareholders is held at the end of June each year. On the other hand, in practice the Annual Securities Report, which contains important information for shareholders to exercise their voting rights, can only be published after the General Meeting of Shareholders or at a time extremely close to the date of the meeting, such as the day before. As a result, it is difficult for investors to sufficiently analyze its content and reflect their findings into their voting decisions, and currently, investors do not have sufficient time to conduct effective reviews.

The Annual Securities Report is a statutory disclosure document that contains a comprehensive range of information essential to making decisions on important agenda items at the General Meeting of Shareholders, including business risks, management strategies, governance structures, amount of remunerations and the policy for determining such amount, and capital policies. We believe that the disclosure of this information with sufficient time for review, rather than immediately before the General Meeting of Shareholders, is a prerequisite for exercising voting rights in a responsible manner.

By changing the record date for voting rights to the middle of May, the Company will be able to set up a disclosure schedule of Annual Securities Reports and other related information with sufficient time ahead of the General Meeting of Shareholders. This will establish an environment that allows investors, proxy advisory firms, and analysts to carefully examine the information, and appropriately reflect the results of their analyses into decisions on whether to approve or reject each agenda item. This proposal does not only seek a formal acceleration of timing, but aims to create a systematic foundation for the enhancement of substantive information disclosure.

In addition, as a secondary effect, this change is expected to lead to a broader distribution of dates for the General Meeting of Shareholders, which until now have been overly concentrated in late June. This concentration of dates has made it difficult for many shareholders to attend the general meetings of multiple companies. Broader distribution of these dates will enable shareholders to attend more general meetings and increase opportunities for them to participate in direct dialog and discussion with management. This in turn will promote more active shareholder engagement and contribute to the achievement of the “Shareholder Democracy” approach that we advocate.

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