

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 11, 2022

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: NOHMI BOSAI LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6744  
 URL: <https://www.nohmi.co.jp/>  
 Representative: (Name) Takeshi Okamura, (Title) President and Representative Director  
 Inquiries: (Name) Yasuhiro Ono, (Title) Executive Officer in charge of General Affairs Department  
 Telephone: +81-3-3265-0214  
 Scheduled date of annual general meeting of shareholders: June 28, 2022  
 Scheduled date to commence dividend payments: June 29, 2022  
 Scheduled date to file annual securities report: June 28, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2022	112,913	4.6	12,633	14.3	13,155	14.4	9,351	22.7
Fiscal year ended March 31, 2021	107,897	(8.0)	11,053	(27.0)	11,494	(25.6)	7,620	(27.5)

Note: Comprehensive income Fiscal year ended March 31, 2022: ¥9,892 million [16.5%]  
 Fiscal year ended March 31, 2021: ¥8,488 million [(17.4)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	155.07	-	8.8	9.1	11.2
Fiscal year ended March 31, 2021	126.38	-	7.7	8.3	10.2

Reference: Share of profit (loss) of entities accounted for using equity method  
 Fiscal year ended March 31, 2022: ¥286 million  
 Fiscal year ended March 31, 2021: ¥216 million

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	148,599	111,891	74.2	1,827.92
As of March 31, 2021	139,875	104,122	73.3	1,700.87

Reference: Equity

As of March 31, 2022: ¥110,250 million

As of March 31, 2021: ¥102,560 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2022	3,559	(4,874)	(2,293)	47,507
Fiscal year ended March 31, 2021	15,829	(4,343)	(2,234)	50,959

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	-	16.50	-	16.50	33.00	1,993	26.1	2.0
Fiscal year ended March 31, 2022	-	18.00	-	18.00	36.00	2,175	23.2	2.1
Fiscal year ending March 31, 2023 (forecast)	-	20.00	-	20.00	40.00		33.7	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First two quarters	44,600	(10.8)	1,400	(69.8)	1,500	(69.4)	950	(71.8)	15.75
Full year	111,000	(1.7)	10,100	(20.1)	10,400	(20.9)	7,150	(23.5)	118.57

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2022	60,832,771 shares
As of March 31, 2021	60,832,771 shares

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

As of March 31, 2022	517,921 shares
As of March 31, 2021	533,785 shares

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

Fiscal year ended March 31, 2022	60,303,275 shares
Fiscal year ended March 31, 2021	60,299,069 shares

**[Reference] Overview of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2022	89,907	9.0	10,083	24.6	10,675	24.3	7,734	33.7
Fiscal year ended March 31, 2021	82,513	(8.3)	8,090	(30.8)	8,585	(29.3)	5,782	(32.0)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2022	128.00	-
Fiscal year ended March 31, 2021	95.71	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	122,676	88,295	72.0	1,461.19
As of March 31, 2021	114,257	82,714	72.4	1,368.94

Reference: Equity

As of March 31, 2022: ¥88,295 million  
As of March 31, 2021: ¥82,714 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)**

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First two quarters	33,800	(14.3)	1,600	(64.5)	1,150	(64.3)	19.03
Full year	84,700	(5.8)	8,350	(21.8)	5,900	(23.7)	97.64

\* These financial results are not subject to audit by certified public accountants or auditing firms.

\* Explanation of the proper use of financial results forecast and other notes

The results forecast and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors. For assumptions underlying the results forecast and notes on using them, please refer to “(4) Future Outlook” in “1. Overview of Operating Results, Etc.” on page 3 of the Attachments.

○ Table of Contents of Attachments

1.	Overview of Operating Results, Etc. ....	2
	(1) Overview of Operating Results for the Current Fiscal Year.....	2
	(2) Overview of Financial Position for the Current Fiscal Year.....	2
	(3) Overview of Cash Flows for the Current Fiscal Year.....	3
	(4) Future Outlook .....	3
	(5) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year.....	3
2.	Basic Approach to the Selection of Accounting Standards.....	3
3.	Consolidated Financial Statements and Key Notes .....	4
	(1) Consolidated Balance Sheet .....	4
	(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	6
	(3) Consolidated Statement of Changes in Equity .....	8
	(4) Consolidated Statement of Cash Flows .....	10
	(5) Notes to Consolidated Financial Statements .....	12
	(Notes on Going Concern Assumptions).....	12
	(Changes in Accounting Policies).....	12
	(Segment Information, Etc.).....	13
	(Per Share Information).....	17
	(Significant Subsequent Events).....	17
	(Statement of Net Sales, Orders Received and Order Backlog by Product).....	18
4.	Other.....	19
	Change of officers .....	19

1. Overview of Operating Results, Etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year under review. For this reason, year-on-year comparisons are made using figures based on different calculation methods. For details, please refer to “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” in “3. Consolidated Financial Statements and Key Notes.”

(1) Overview of Operating Results for the Current Fiscal Year

In the fiscal year under review, the Japanese economy remained in a difficult situation amid the continuing impact of COVID-19, despite signs of recovery partly due to the progress of vaccination and the effects of various policies.

In the fire protection industry, although corporate profits and private capital investment showed signs of recovery, the future remains uncertain partly due to supply constraints of parts and rising raw material prices.

Amid these circumstances, the Group formulated a three-year medium-term business plan starting from FY2019 entitled “Project 2021—Build Strong ‘On-site Capabilities’.” And under the vision and priority policies below, it has responded accurately and promptly to changing needs for safety and security and has worked to lay the foundations for dramatic growth.

- Vision  
Toward Dramatic Growth Based on Strong “On-site Capabilities”
- Priority policies
  - 1) Improve human resource capabilities.
  - 2) Improve business conceptualization and execution capabilities/improve operational precision and speed.
  - 3) Strengthen group management.

In the fiscal year under review, the medium-term business plan’s final year, we engaged in business activities while striving to prevent the spread of COVID-19, and as a result, orders received were ¥110,948 million (down 2.1% year-on-year) and net sales were ¥112,913 million (up 4.6% year-on-year).

Because of a concentration of contracts with relatively high profitability, operating income was ¥12,633 million (up 14.3% year-on-year), ordinary income was ¥13,155 million (up 14.4% year-on-year) and net income attributable to owners of parent was ¥9,351 million (up 27.7% year-on-year).

By business segment, net sales and operating income in the Fire Alarm Systems segment were ¥42,036 million (up 10.8% year-on-year) and ¥8,617 million (up 44.1% year-on-year), respectively. Net sales and operating income in the Fire Extinguishing Systems segment were ¥39,647 million (up 3.2% year-on-year) and ¥7,197 million (up 9.6% year-on-year), respectively. Net sales and operating income in the Maintenance Services segment were ¥26,299 million (down 1.5% year-on-year) and ¥4,854 million (down 10.0% year-on-year), respectively. Net sales and operating income in the Others segment were ¥4,929 million (up 1.8% year-on-year) and ¥46 million (down 81.6% year-on-year), respectively.

(2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the fiscal year under review were ¥148,599 million, up ¥8,724 million from the end of the previous fiscal year. This was mainly due to an increase of ¥11,457 million in notes and accounts receivable–trade, and contract assets, an increase of ¥1,046 million in software and an increase of ¥1,029 million in buildings and structures, despite a decrease of ¥3,523 million in costs on construction contracts in progress and a decrease of ¥3,386 million in cash and deposits.

Liabilities grew ¥955 million from the end of the previous fiscal year to ¥36,708 million. This was mainly due to an increase of ¥1,042 million in income taxes payable.

Net assets were up ¥7,769 million from the end of the previous fiscal year to ¥111,891 million, mainly due to an increase in retained earnings.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year under review were ¥47,507 million, down ¥3,452 million from the end of the previous fiscal year.

Details for each category of cash flow for the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥3,559 million (compared with ¥15,829 million provided in the previous fiscal year) mainly due to income before income taxes of ¥13,155 million and depreciation of ¥2,333 million, despite an increase of ¥8,342 million in trade receivables and contract assets and income taxes paid of ¥3,107 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥4,874 million (compared with ¥4,343 million used in the previous fiscal year) mainly due to purchase of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,293 million (compared with ¥2,234 million used in the previous fiscal year) mainly due to dividend payments.

(4) Future Outlook

The future economic outlook is expected to remain uncertain as it is still unclear when COVID-19 will subside.

In the fire protection industry, close attention needs to be paid to the impact of supply constraints of parts, rising raw material prices and others.

Amid these circumstances, the Group formulated the ideal image for FY2028 and the measures to achieve it in the form of the “Medium- to Long-term Vision 2028—We will Shape the Customers Expectations.” Starting in FY2022, we will take on the challenge of transforming ourselves into a company that can create even higher added value.

Based on the above, with regard to the consolidated financial results forecast for the fiscal year ending March 31, 2023, we expect net sales of ¥111,000 million, operating income of ¥10,100 million, ordinary income of ¥10,400 million and net income attributable to owners of parent of ¥7,150 million.

(5) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year

The Company sets out its basic policy to pay stable dividends over the long term, and returns profits to shareholders comprehensively taking into account the dividend payout ratio and other factors, while striving to strengthen its financial structure in preparation for future business development.

Under this policy, in addition to promoting the “Medium- to Long-term Vision 2028—We will Shape the Customers Expectations” starting from FY2022, the Company aims to enhance stable and continuous returns to shareholders targeting a consolidated dividend payout ratio of 40% by FY2024.

With regard to dividends for the fiscal year under review, the year-end dividend will be ¥18 per share. As a result, including the interim dividend of ¥18 per share which has already been paid, the annual dividend for the fiscal year under review will total ¥36 per share.

Based on the above, the annual dividend for the next fiscal year will be ¥40 per share, which includes interim and year-end dividends of ¥20 per share each.

2. Basic Approach to the Selection of Accounting Standards

The Group plans to prepare consolidated financial statements in accordance with Japanese GAAP for the time being, taking into account the comparability of consolidated financial statements over time and between companies.

Regarding the adoption of the International Financial Reporting Standards (IFRS), we will take appropriate measures in consideration of domestic and overseas circumstances.

## 3. Consolidated Financial Statements and Key Notes

## (1) Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	52,049	48,663
Notes and accounts receivable–trade	37,533	-
Notes and accounts receivable–trade, and contract assets	-	48,991
Merchandise and finished goods	2,805	2,943
Work in process	1,154	1,011
Raw materials and supplies	4,467	5,289
Costs on construction contracts in progress	3,523	-
Other	779	865
Allowance for doubtful accounts	(370)	(540)
Total current assets	101,944	107,225
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,934	9,963
Machinery, equipment and vehicles, net	794	628
Land	7,066	7,081
Construction in progress	2,792	3,050
Other, net	2,058	2,175
Total property, plant and equipment	21,646	22,900
Intangible assets		
Software	1,872	2,919
Goodwill	20	8
Other	69	68
Total intangible assets	1,961	2,996
Investments and other assets		
Investment securities	6,583	7,314
Long-term loans receivable	2	1
Retirement benefit asset	33	47
Deferred tax assets	5,171	5,385
Other	2,600	2,789
Allowance for doubtful accounts	(69)	(61)
Total investments and other assets	14,322	15,476
Total non-current assets	37,930	41,374
<b>Total assets</b>	<b>139,875</b>	<b>148,599</b>



(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	4,799	4,359
Electronically recorded obligations–operating	4,575	5,016
Short-term borrowings	14	4
Accounts payable	7,220	7,244
Income taxes payable	1,571	2,613
Advances received on construction contracts in progress	1,985	-
Contract liabilities	-	1,081
Provision for bonuses	3,358	3,610
Provision for product warranties	3	14
Provision for warranties for completed construction	84	82
Provision for loss on construction contracts	1,082	1,286
Asset retirement obligations	-	20
Other	2,216	2,469
Total current liabilities	26,912	27,804
Non-current liabilities		
Bonds payable	20	9
Long-term borrowings	4	-
Provision for retirement benefits for directors (and other officers)	190	204
Provision for product warranties	233	132
Reserve for loss on construction performance guarantee	203	167
Retirement benefit liability	7,485	7,431
Asset retirement obligations	116	118
Other	586	840
Total non-current liabilities	8,840	8,903
Total liabilities	35,752	36,708
Net assets		
Shareholders' equity		
Share capital	13,302	13,302
Capital surplus	12,905	12,920
Retained earnings	75,876	83,094
Treasury shares	(280)	(272)
Total shareholders' equity	101,803	109,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,076	1,032
Foreign currency translation adjustment	334	682
Remeasurements of defined benefit plans	(654)	(509)
Total accumulated other comprehensive income	757	1,205
Non-controlling interests	1,561	1,640
Total net assets	104,122	111,891
Total liabilities and net assets	139,875	148,599

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

## Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	107,897	112,913
Cost of sales	72,770	74,151
Gross profit	35,127	38,762
Selling, general and administrative expenses	24,073	26,128
Operating income	11,053	12,633
Non-operating income		
Interest income	18	22
Dividend income	60	72
Share of profit of entities accounted for using equity method	216	286
Foreign exchange gains	7	—
Rental income	59	57
Subsidy income	48	48
Insurance return	18	14
Dividend income of insurance	24	15
Other	95	97
Total non-operating income	549	615
Non-operating expenses		
Interest expenses	14	9
Foreign exchange losses	-	21
Rental expenses	25	26
Commitment fees	45	6
Other	23	30
Total non-operating expenses	108	94
Ordinary income	11,494	13,155
Extraordinary income		
Reversal of reserve for loss on construction performance guarantee	-	36
Gain on sale of non-current assets	-	14
Gain on sale of investment securities	-	13
Total extraordinary income	-	63
Extraordinary losses		
Loss on disposal of non-current assets	15	36
Impairment losses	-	25
Loss on valuation of investment securities	367	0
Total extraordinary losses	383	63
Income before income taxes	11,111	13,155
Income taxes—current	3,436	4,096
Income taxes—deferred	(17)	(208)
Total income taxes	3,418	3,887
Net income	7,692	9,267
Net income (loss) attributable to non-controlling interests	71	(84)
Net income attributable to owners of parent	7,620	9,351

## Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income	7,692	9,267
Other comprehensive income		
Valuation difference on available-for-sale securities	404	(44)
Foreign currency translation adjustment	47	524
Remeasurements of defined benefit plans, net of tax	341	144
Share of other comprehensive income of entities accounted for using equity method	2	0
Total other comprehensive income	795	625
Comprehensive income	8,488	9,892
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,400	9,799
Comprehensive income attributable to non-controlling interests	87	92

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,302	12,868	70,279	(280)	96,170
Cumulative effects of changes in accounting policies					-
Restated balance	13,302	12,868	70,279	(280)	96,170
Changes during period					
Dividends of surplus			(2,024)		(2,024)
Net income attributable to owners of parent			7,620		7,620
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Restricted stock compensation					-
Purchase of shares of consolidated subsidiaries		36			36
Net changes in items other than shareholders' equity					
Total changes during period	-	36	5,596	(0)	5,633
Balance at end of period	13,302	12,905	75,876	(280)	101,803

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	669	303	(995)	(22)	1,523	97,671
Cumulative effects of changes in accounting policies						-
Restated balance	669	303	(995)	(22)	1,523	97,671
Changes during period						
Dividends of surplus						(2,024)
Net income attributable to owners of parent						7,620
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Restricted stock compensation						-
Purchase of shares of consolidated subsidiaries						36
Net changes in items other than shareholders' equity	407	31	341	779	37	817
Total changes during period	407	31	341	779	37	6,450
Balance at end of period	1,076	334	△654	757	1,561	104,122

## Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,302	12,905	75,876	(280)	101,803
Cumulative effects of changes in accounting policies			(48)		(48)
Restated balance	13,302	12,905	75,827	(280)	101,755
Changes during period					
Dividends of surplus			(2,084)		(2,084)
Net income attributable to owners of parent			9,351		9,351
Purchase of treasury shares				0	0
Disposal of treasury shares		10		5	15
Restricted stock compensation		5		2	7
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	15	7,266	8	7,290
Balance at end of period	13,302	12,920	83,094	(272)	109,045

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,076	334	(654)	757	1,561	104,122
Cumulative effects of changes in accounting policies					(0)	(48)
Restated balance	1,076	334	(654)	757	1,561	104,073
Changes during period						
Dividends of surplus						(2,084)
Net income attributable to owners of parent						9,351
Purchase of treasury shares						0
Disposal of treasury shares						15
Restricted stock compensation						7
Purchase of shares of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	(44)	347	144	447	79	527
Total changes during period	(44)	347	144	447	79	7,817
Balance at end of period	1,032	682	(509)	1,205	1,640	111,891

## (4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	11,111	13,155
Depreciation	2,208	2,333
Impairment losses	-	25
Amortization of goodwill	11	11
Share-based payment expenses	-	5
Increase (decrease) in allowance for doubtful accounts	(21)	150
Increase (decrease) in retirement benefit liability	69	152
Increase (decrease) in provision for retirement benefits for directors (and other officers)	19	14
Increase (decrease) in provision for bonuses	(147)	242
Increase (decrease) in provision for product warranties	38	(89)
Increase (decrease) in provision for warranties for completed construction	27	(1)
Increase (decrease) in provision for loss on construction contracts	203	462
Increase (decrease) in provision for loss on construction performance guarantee	-	(36)
Interest and dividend income	(79)	(94)
Insurance return	(18)	(14)
Interest expenses	14	9
Share of loss (profit) of entities accounted for using equity method	(216)	(286)
Loss (gain) on disposal of non-current assets	15	22
Loss (gain) on valuation of investment securities	367	0
Loss (gain) on sale of investment securities	-	(10)
Decrease (increase) in trade receivables	6,627	-
Decrease (increase) in trade receivables and contractual assets	-	(8,342)
Decrease (increase) in inventories	2,125	(591)
Increase (decrease) in trade payables	179	(231)
Increase (decrease) in advances received on construction contracts in progress	(1,532)	-
Increase (decrease) in contract liabilities	-	(250)
Other	(547)	(62)
<b>Subtotal</b>	<b>20,457</b>	<b>6,574</b>
Interest and dividends received	78	101
Interest paid	(14)	(9)
Income tax paid	(4,691)	(3,107)
<b>Cash flows from operating activities</b>	<b>15,829</b>	<b>3,559</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	5	(54)
Payments into long-term deposits	-	(90)
Proceeds from withdrawal of long-term deposits	-	90
Purchase of non-current assets	(4,228)	(4,194)
Proceeds from sale of non-current assets	3	51
Purchase of investment securities	(224)	(552)
Proceeds from sale of investment securities	2	46
Proceeds from collection of loans receivable	29	1
Proceeds from cancellation of insurance funds	281	47
Other	(211)	(219)
<b>Cash flows from investing activities</b>	<b>(4,343)</b>	<b>(4,874)</b>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(18)	(14)
Redemption of bonds	(61)	(41)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2)	-
Dividends paid	(2,024)	(2,084)
Dividends paid to non-controlling interests	(10)	(13)
Net decrease (increase) in treasury shares	(0)	2
Other	(116)	(142)
<b>Cash flows from financing activities</b>	<b>(2,234)</b>	<b>(2,293)</b>
Effect of exchange rate change on cash and cash equivalents	13	155
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,264</b>	<b>(3,452)</b>
Cash and cash equivalents at beginning of period	41,694	50,959
<b>Cash and cash equivalents at end of period</b>	<b>50,959</b>	<b>47,507</b>

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Changes in Accounting Policies)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standard”), etc. from the beginning of the fiscal year under review, and recognizes revenue when control over the promised goods or services are transferred to customers in the amount expected to be received in exchange for the said goods or services. As a result, while the Company used to apply the percentage-of-completion method to construction contracts whose outcomes are deemed certain to progress and the completed-contract method to other construction contracts, for performance obligations that are to be fulfilled over a certain period of time, it has changed to a method of recognizing revenue over a certain period of time based on the estimated progress in fulfilling performance obligations. The progress in fulfilling performance obligations is measured based on the ratio of construction costs incurred by the end of each reporting period to the total estimated construction costs. If it is not possible to reasonably estimate the progress in fulfilling performance obligations at the initial stage of a contract, but the costs to be incurred are expected to be recovered, revenue is recognized on a cost recovery basis.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied prior to the beginning of the fiscal year under review, is added to or subtracted from retained earnings at the beginning of the fiscal year under review, and the new accounting policy is applied from the beginning of the period. However, applying the method prescribed in Paragraph 86 of the Revenue Recognition Accounting Standard, the Company does not retroactively apply the new accounting policy to contracts where almost all of the revenue was recognized in accordance with the conventional method prior to the beginning of the fiscal year under review. In addition, applying the method prescribed in (1) of Paragraph 86 of the Revenue Recognition Accounting Standard, the Company accounts for all contract changes made prior to the beginning of the fiscal year under review based on the contract terms after reflecting all contract changes, and adds or subtracts their cumulative effect to or from retained earnings at the beginning of the fiscal year under review.

As a result, net sales for the fiscal year under review increased by ¥197 million and cost of sales grew ¥181 million. Operating income, ordinary income and income before income taxes were up ¥15 million each.

Reflecting the cumulative effect on net assets at the beginning of the fiscal year under review, the beginning balance of retained earnings in the consolidated statement of changes in equity decreased ¥48 million.

As a result of the application of the Revenue Recognition Accounting Standard, etc., “notes and accounts receivable–trade,” which was presented under “current assets” in the consolidated balance sheet for the previous fiscal year, has been included in “notes and accounts receivable–trade, and contract assets” from the fiscal year under review. In addition, “decrease (increase) in trade receivables,” which was presented under “cash flows from operating activities” in the statement of cash flows for the previous fiscal year, has been included in “decrease (increase) in trade receivables and contractual assets” from the fiscal year under review, and “increase (decrease) in advances received on construction contracts in progress” has been presented as “increase (decrease) in contract liabilities” from the fiscal year under review.

In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Revenue Recognition Accounting Standard, no reclassification has been made using the new presentation method for the previous fiscal year. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 89-3 of the Revenue Recognition Accounting Standard, breakdowns of revenue from contracts with customers for the previous fiscal year are not presented.



(Segment Information, Etc.)

1. Overview of Reportable Segments

The reportable segments of the Group are constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business results.

The Group is mainly involved in the fire protection business and has three reportable segments: “Fire Alarm Systems,” “Fire Extinguishing Systems” and “Maintenance Services.”

In the “Fire Alarm Systems” segment, it manufactures, sells and installs automatic fire alarm systems, environmental monitoring systems, hinged fire doors, smoke control systems and other products. In the “Fire Extinguishing Systems” segment, it manufactures, sells and installs a variety of sprinkler systems, foam systems and fire protection equipment for industrial plants, road tunnels and other products. In the “Maintenance Services” segment, it provides maintenance services and inspection services for a wide range of fire protection systems.

2. Method of Calculating Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment

The method of accounting for reported business segments is generally the same as the method of accounting applied for the preparation of consolidated financial statements.

Inter-segment revenues and transfers are based on prevailing market prices.

## 3. Information on Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment and Breakdowns of Revenue

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjust- ment (Note 2)	Amount recorded in consoli- dated financial statements (Note 3)
	Fire Alarm Systems	Fire Extinguishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Net sales to external customers	37,952	38,415	26,687	103,055	4,842	107,897	-	107,897
Inter-segment sales or transfers	87	65	0	154	195	349	(349)	-
Subtotal	38,039	38,481	26,688	103,209	5,038	108,247	(349)	107,897
Segment income	5,979	6,568	5,392	17,940	253	18,194	(7,140)	11,053
Segment assets	47,759	32,818	13,436	94,013	3,938	97,952	41,922	139,875
Other items								
Depreciation	920	222	143	1,286	136	1,422	749	2,171
Amortization of goodwill	11	-	-	11	-	11	-	11
Investment in entities accounted for using equity method	-	2,735	-	2,735	-	2,735	-	2,735
Increase in property, plant and equipment and intangible assets	2,602	541	473	3,617	68	3,685	820	4,506

(Notes) 1 The "Others" segment represents businesses such as car parking control systems, which are not included in the reportable segments.

2 Adjustments are as follows.

(1) The adjustment for segment income of ¥(7,140) million is for corporate expenses.

Corporate expenses mainly consist of general and administrative expenses and research and development expenses, which are not attributable to reportable segments.

(2) The adjustment for segment assets of ¥41,922 million is for corporate assets.

Corporate assets mainly consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets related to administration and R&D departments, which are not attributable to reportable segments.

(3) The adjustment for depreciation of ¥749 million is for depreciation related to corporate assets.

(4) The adjustment for increase in property, plant and equipment and intangible assets of ¥820 million is for an increase in corporate assets.

3 Segment income is reconciled to operating income in the consolidated financial statements.

## Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjust- ment (Note 2)	Amount recorded in consoli- dated financial statements (Note 3)
	Fire Alarm Systems	Fire Extinguishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	20,242	4,324	15,266	39,832	1,929	41,762	-	41,762
Goods or services transferred over a certain period of time	21,794	35,323	11,033	68,151	3,000	71,151	-	71,151
Revenue from contracts with customers	42,036	39,647	26,299	107,984	4,929	112,913	-	112,913
Net sales to external customers	42,036	39,647	26,299	107,984	4,929	112,913	-	112,913
Inter-segment sales or transfers	63	68	0	132	190	322	(322)	-
Subtotal	42,100	39,715	26,300	108,116	5,120	113,236	(322)	112,913
Segment income	8,617	7,197	4,854	20,668	46	20,715	(8,081)	12,633
Segment assets	46,305	42,911	13,269	102,486	4,999	107,486	41,113	148,599
Other items								
Depreciation	1,006	253	184	1,443	173	1,616	681	2,298
Amortization of goodwill	11	-	-	11	-	11	-	11
Impairment losses	25	-	-	25	-	25	-	25
Investment in entities accounted for using equity method	-	3,035	-	3,035	-	3,035	-	3,035
Increase in property, plant and equipment and intangible assets	2,729	525	171	3,425	49	3,474	993	4,467

(Notes) 1 The "Others" segment represents businesses such as car parking control systems, which are not included in the reportable segments.

2 Adjustments are as follows.

- (1) The adjustment for segment income of ¥(8,081) million is for corporate expenses. Corporate expenses mainly consist of general and administrative expenses and research and development expenses, which are not attributable to reportable segments.
- (2) The adjustment for segment assets of ¥41,113 million is for corporate assets. Corporate assets mainly consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets related to administration and R&D departments, which are not attributable to reportable segments.
- (3) The adjustment for depreciation of ¥681 million is for depreciation related to corporate assets.
- (4) The adjustment for increase in property, plant and equipment and intangible assets of ¥993 million is for an increase in corporate assets.

3 Segment income is reconciled to operating income in the consolidated financial statements.

## 4. Related information

Fiscal year ended March 31, 2021

(1) Information by product and service

The information has been omitted since the same information is disclosed in the segment information.

(2) Information by region

1) Net sales

This information has been omitted since net sales to external customers in Japan account for more than 90% of net sales in the consolidated statement of income.

2) Property, plant and equipment

The information has been omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

(3) Information by major customer

The information has been omitted since there are no external customers accounting for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended March 31, 2022

(1) Information by product and service

The information has been omitted since the same information is disclosed in the segment information.

(2) Information by region

1) Net sales

This information has been omitted since net sales to external customers in Japan account for more than 90% of net sales in the consolidated statement of income.

2) Property, plant and equipment

The information has been omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

(3) Information by major customer

The information has been omitted since there are no external customers accounting for 10% or more of net sales in the consolidated statement of income.

5. Information on Impairment Losses on Non-current Assets by Reportable Segment

Fiscal year ended March 31, 2021

Not applicable.

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Impairment losses	25	-	-	25	-	25	-	25

## 6. Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Amortization during period	11	-	-	11	-	11	-	11
Balance at end of period	20	-	-	20	-	20	-	20

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Amortization during period	11	-	-	11	-	11	-	11
Balance at end of period	8	-	-	8	-	8	-	8

## (Per Share Information)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	1,700.87 yen	1,827.92 yen
Net income per share	126.38 yen	155.07 yen

- (Notes) 1. Diluted net income per share is not stated because there are no dilutive shares.  
2. The basis for calculating net income per share is as follows.

Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income per share		
Net income attributable to owners of parent (Million yen)	7,620	9,351
Amount not attributable to common shareholders (Million yen)	-	-
Net income attributable to owners of parent related to common shares (Million yen)	7,620	9,351
Average number of common shares (Shares)	60,299,069	60,303,275

## (Significant Subsequent Events)

Not applicable.

## (Statement of Net Sales, Orders Received and Order Backlog by Product)

## Statement of net sales by product

(Millions of yen)

	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	37,952	35.2%	42,036	37.2%	4,084	10.8%
Fire Extinguishing Systems	38,415	35.6%	39,647	35.1%	1,231	3.2%
Maintenance Services	26,687	24.7%	26,299	23.3%	(387)	(1.5)%
Other	4,842	4.5%	4,929	4.4%	87	1.8%
Total	107,897	100.0%	112,913	100.0%	5,016	4.6%

## Statement of orders received by product

(Millions of yen)

	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	37,466	33.1%	45,169	40.7%	7,702	20.6%
Fire Extinguishing Systems	44,469	39.2%	33,163	29.9%	(11,305)	(25.4)%
Maintenance Services	26,436	23.3%	27,067	24.4%	631	2.4%
Other	4,936	4.4%	5,547	5.0%	611	12.4%
Total	113,308	100.0%	110,948	100.0%	(2,360)	(2.1)%

## Statement of orders backlog by product

(Millions of yen)

	As of March 31, 2021		As of March 31, 2022		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	11,243	20.1%	12,550	24.9%	1,306	11.6%
Fire Extinguishing Systems	40,187	71.7%	32,080	63.6%	(8,106)	(20.2)%
Maintenance Services	3,773	6.7%	4,364	8.7%	590	15.6%
Other	840	1.5%	1,409	2.8%	568	67.7%
Total	56,045	100.0%	50,404	100.0%	(5,640)	(10.1)%

4. Other

Change of officers

The following changes have been informally decided as of June 28, 2022.

- 1) Change of representative  
Not applicable.
- 2) Candidate for new Director  
Director, Managing Executive Officer      Yasuo Ariga  
(Managing Executive Officer (present))
- 3) Retiring Director  
Director, Senior Managing Executive Officer      Jun Uchiyama  
(Scheduled to be appointed as Executive Advisor)
- 4) Candidate for new Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member      Akiko Nagahama  
(Attorney at Law office of Nagahama, Mizuno &  
Inoue (present), Outside Director of Dainichiseika  
Color & Chemicals Mfg. Co., Ltd. (present))
- 5) Retiring Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member      Tojiro Ishii
- 6) Newly appointed Executive Officer  
Executive Officer      Kazuki Takumi  
(Executive Manager of Corporate Planning  
Department (present))
- 7) Other changes  
Director, Senior Managing Executive Officer      Masahiro Hasegawa  
(Director, Managing Executive Officer (present))

## [Reference] (Planned) Composition of officers after June 28, 2022

## 1. Directors and Audit &amp; Supervisory Board Members

Chairman and Representative Director	Takeshi Hashizume
Vice Chairman and Director	Tatsunori Ito
President and Representative Director	Takeshi Okamura
Director	Masahiro Hasegawa
Director	Yasuo Ariga
Director	Tatsuya Izumida
Director (Outside)	Shin Shiotani
Director (Outside)	Ichiro Ishii
Director (Outside)	Keiko Hirano
Full-Time Audit & Supervisory Board Member	Yoshihisa Asakura
Full-Time Audit & Supervisory Board Member	Hiroshi Kondo
Audit & Supervisory Board Member (Outside)	Kazuo Kondo
Audit & Supervisory Board Member (Outside)	Yasuhiro Takahashi
Audit & Supervisory Board Member (Outside)	Akiko Nagahama

## 2. Executive Officers

Senior Managing Executive Officer	Masahiro Hasegawa
Managing Executive Officer	Yasuo Ariga
Managing Executive Officer	Yuji Hara
Executive Officer	Hisato Miura
Executive Officer	Shinya Ikeda
Executive Officer	Kazuto Yamamoto
Executive Officer	Hisayoshi Atoji
Executive Officer	Makoto Kamihigoshi
Executive Officer	Keishi Odori
Executive Officer	Ryoichi Kato
Executive Officer	Masayuki Nakamura
Executive Officer	Yasuhiro Ono
Executive Officer	Kazuki Takumi