



FY2022/3 Results of Operations and Medium- to Long-term Vision 2028

May 31, 2022

NOHMI BOSAI LTD. **NOHMI**

Shaping ^{the} Customers'
Expectations



transformation

I . Consolidated Results FY2022/3



New orders fell slightly from the record high achieved in the previous fiscal year.

New orders in the fire extinguishing systems segment were much lower than in the previous fiscal year, when large projects were recorded in a concentrated manner, and were well below forecasts. However, the companywide figure showed a slight decline.

Net sales and income rose year on year, while failing to reach the initial forecast levels.

Although falling short of initial forecasts, net sales, ordinary income and net income attributable to owners of parent were the second highest in the company's history, primarily thanks to large projects with relatively high profitability.

The operating margin remained high.

The operating margin rose 1 percentage point year on year from 10.2% to 11.2%. It stayed above 10% to meet the target in the medium-term business plan.

Consolidated Results of Operation

(Million yen)

	FY2021/3	FY2022/3		Vs. FY2021/3		Vs. Plan	
	Results	Plan	Results	Amount	Pct.	Amount	Pct.
New orders	113,308	122,000	110,948	-2,360	-2.1%	-11,051	-9.1%
Net sales	107,897	120,800	112,913	+5,016	+4.6%	-7,886	-6.5%
Cost of sales	67.4%	66.9%	65.7%	-1.7Pt	—	-1.2pt	—
Gross profit	35,127	39,950	38,762	+3,635	+10.3%	-1,187	-3.0%
SG&A expenses	24,073	26,450	26,128	+2,055	+8.5%	-321	-1.2%
Operating income	11,053	13,500	12,633	+1,579	+14.3%	-866	-6.4%
Operating margin	10.2%	11.2%	11.2%	+1.0pt	—	±0.0pt	—
Ordinary income	11,494	13,800	13,155	+1,660	+14.4%	-644	-4.7%
Net income attributable to owners of parent	7,620	9,300	9,351	+1,730	+22.7%	+51	+0.6%
EPS (yen)	126.38	154.22	155.07				
ROE	7.7%	9.1%	8.8%				

Consolidated Results by Segments

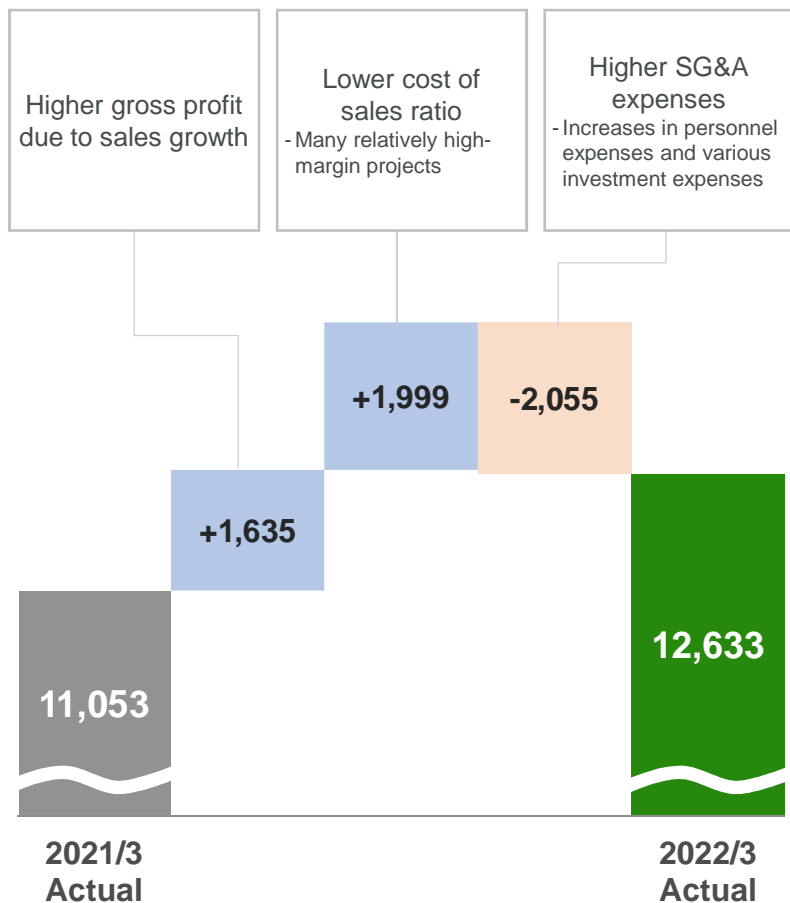
(Million yen)

		FY2021/3	FY2022/3		Vs. FY2021/3	Vs. Plan
		Results	Plan	Results	Amount	Amount
Fire Alarm Systems	Net sales	38,039	46,077	42,100	+4,060	-3,977
	Operating income	5,979	9,114	8,617	+2,638	-497
	Operating margin	15.7%	19.8%	20.5%	+4.7pt	+0.7pt
Fire Extinguishing Systems	Net sales	38,481	42,205	39,715	+1,234	-2,490
	Operating income	6,568	6,710	7,197	+629	+486
	Operating margin	17.1%	15.9%	18.1%	+1.1pt	+2.2pt
Maintenance Services	Net sales	26,688	27,270	26,300	-387	-970
	Operating income	5,392	5,161	4,854	-538	-307
	Operating margin	20.2%	18.9%	18.5%	-1.7pt	-0.5pt
Others	Net sales	5,038	5,595	5,120	+81	-475
	Operating income	253	200	46	-207	-153
	Operating margin	5.0%	3.6%	0.9%	-4.1pt	-2.7pt
Elimination/ Corporate	Net sales	-349	-349	-322	+27	+27
	Operating income	-7,140	-7,687	-8,081	-941	-394
Consolidated	Net sales	107,897	120,800	112,913	+5,016	-7,886
	Operating income	11,053	13,500	12,633	+1,579	-866

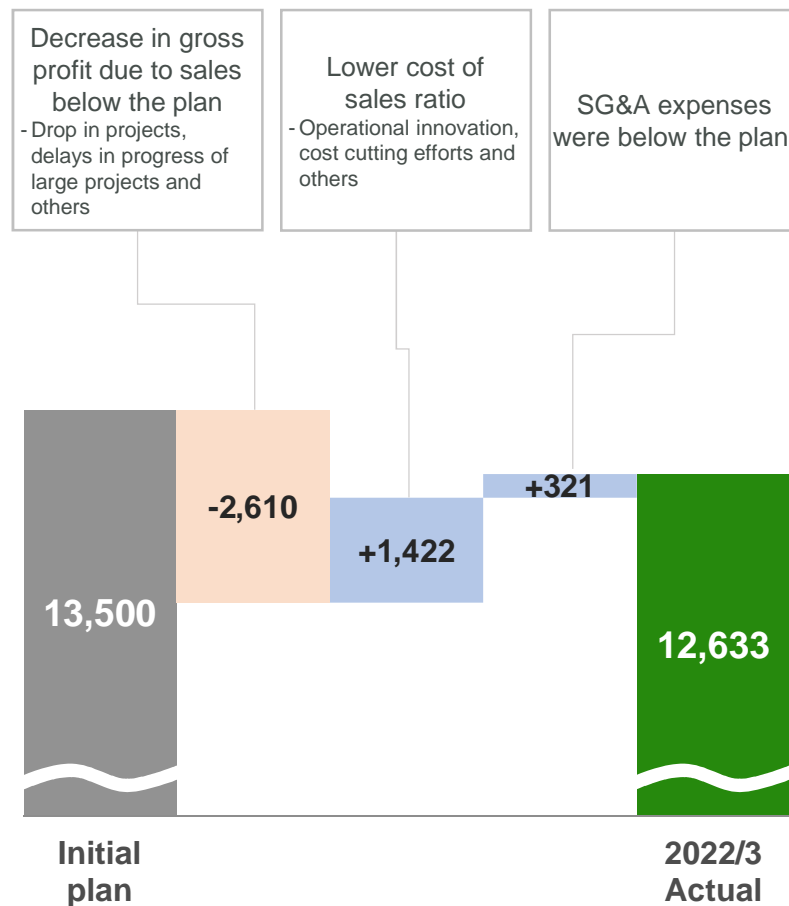


Analysis of Change in Operating Income

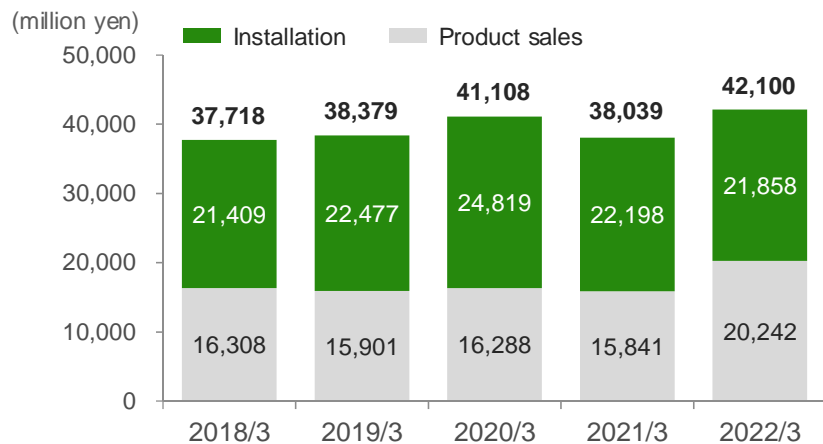
Vs. FY2021/3 (million yen)



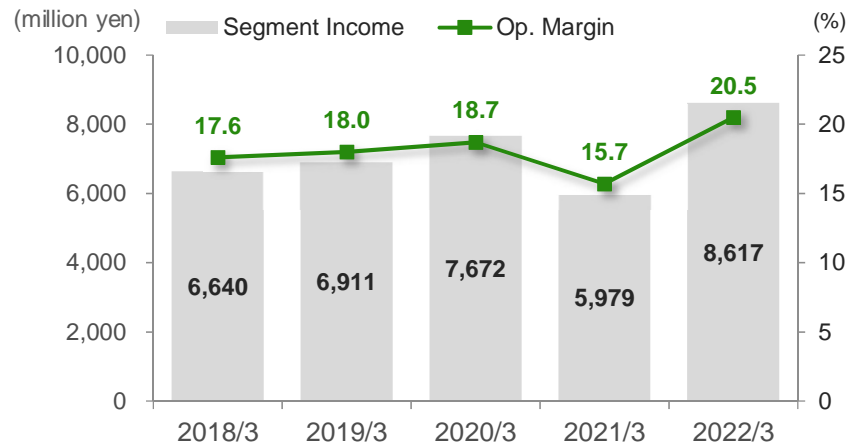
Vs. Plan (million yen)



Net Sales (before elimination)



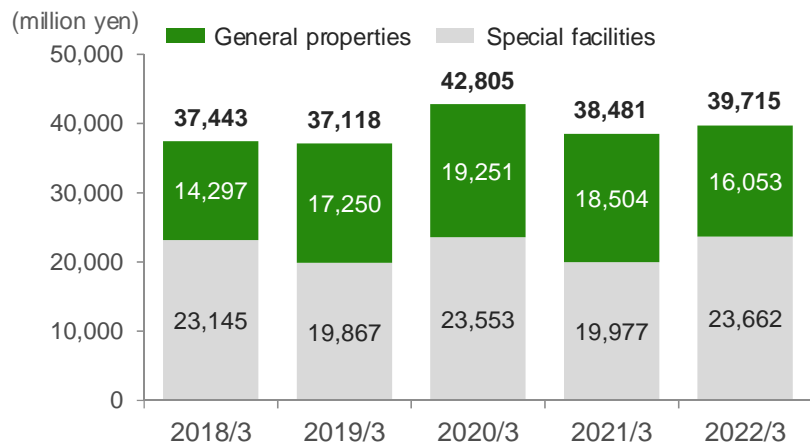
Segment Income & Operating Margin



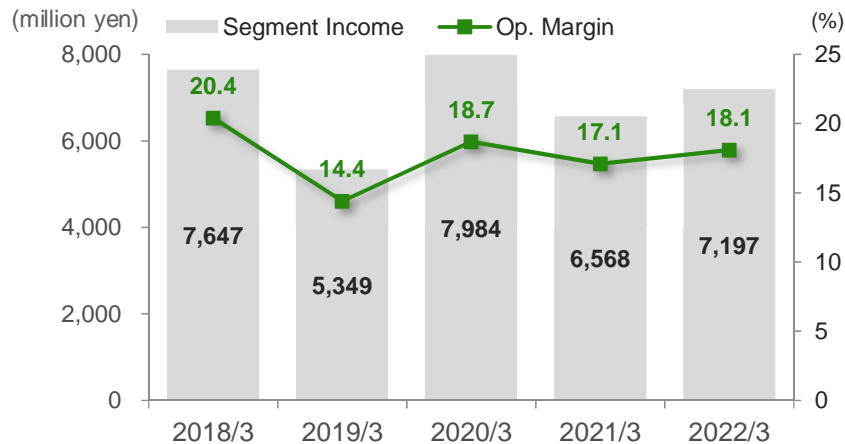
(million yen)	2021/3		2022/3		Vs. 21/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual	Actual		
New orders	37,466	47,900	45,169		+20.6	-5.7
Backlog of orders	11,243	—	12,550		+11.6	—
Net sales	38,039	46,077	42,100		+10.7	-8.6
Installation	22,198	23,407	21,858		-1.5	-6.6
Product sales	15,841	22,670	20,242		+27.8	-10.7
Segment Income	5,979	9,114	8,617		+44.1	-5.5

- Net sales, segment income and new orders achieved new record highs after a concentration of projects with relatively high profitability.
- Results remained high but fell below the planned levels, mainly because the number of projects won was smaller than expected.

Net Sales (before elimination)



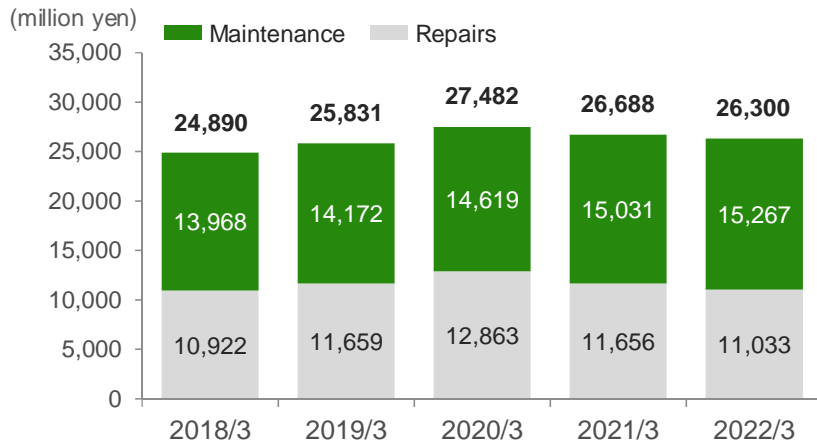
Segment Income & Operating Margin



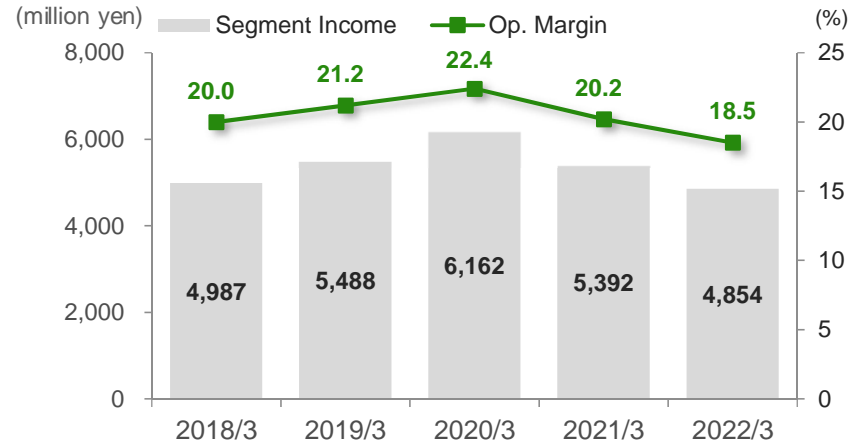
(million yen)	2021/3	2022/3		Vs. 21/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	44,469	41,200	33,163	-25.4	-19.5
Backlog of orders	40,187	—	32,080	-20.2	—
Net sales	38,481	42,205	39,715	+3.2	-5.9
General properties	18,504	17,475	16,053	-13.2	-8.1
Special facilities	19,977	24,730	23,662	+18.4	-4.3
Segment Income	6,568	6,710	7,197	+9.6	+7.3

- Net sales rose year on year, but at a lower rate than projected given slow work progress in some projects.
- Segment income was strong and higher than planned, thanks mainly to continued efforts to reduce costs.
- Orders were down from one year earlier when the volume of orders was high, particularly for special facilities.

Net Sales (before elimination)



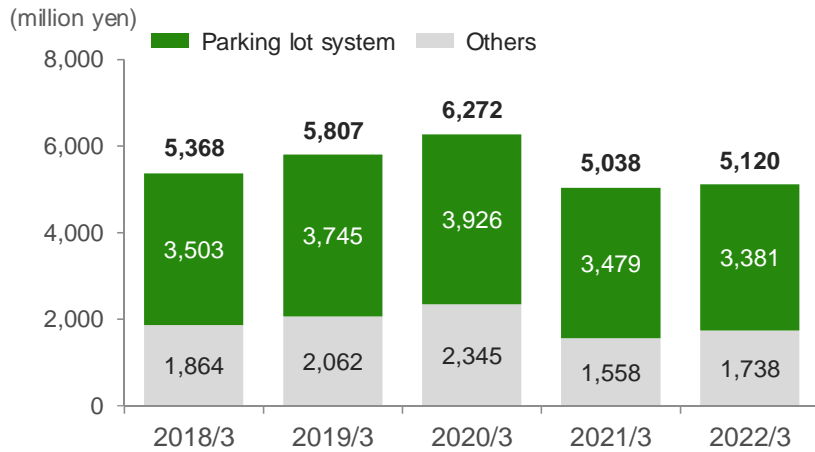
Segment Income & Operating Margin



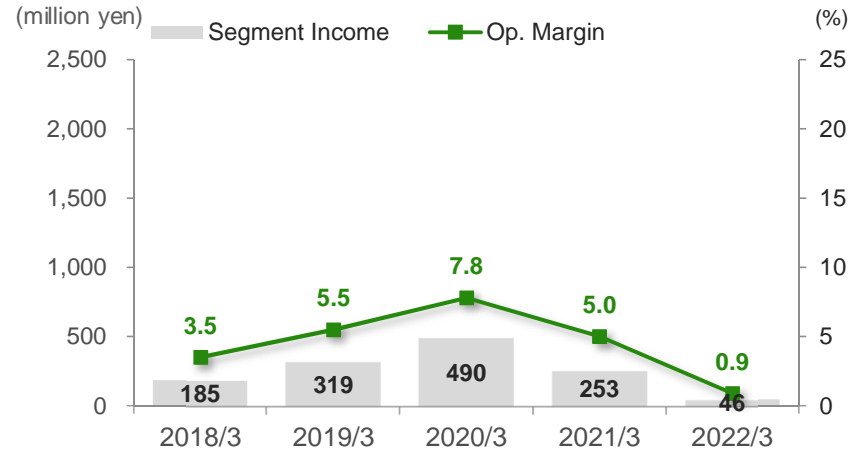
(million yen)	2021/3	2022/3		Vs. 21/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	26,436	27,700	27,067	+2.4	-2.3
Backlog of orders	3,773	—	4,364	+15.6	—
Net sales	26,688	27,270	26,300	-1.5	-3.6
Maintenance	15,031	15,000	15,267	+1.6	+1.8
Repairs	11,656	12,270	11,033	-5.4	-10.1
Segment Income	5,392	5,161	4,854	-10.0	-5.9

- Net sales and new orders were both stable.
- The operating margin for repairs decreased because many projects had somewhat low profitability.

Net Sales (before elimination)



Segment Income & Operating Margin



(million yen)	2021/3		2022/3		Vs. 21/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual	Actual		
New orders	4,936	5,200	5,547		+12.4	+6.7
Backlog of orders	840	—	1,409		+67.7	—
Net sales	5,038	5,595	5,120		+1.6	-8.5
Parking lot system	3,479	3,710	3,381		-2.8	-8.9
Others	1,558	1,885	1,738		+11.5	-7.8
Segment Income	253	200	46		-81.6	-76.7

- Sales remained almost flat under the pandemic. Segment income remained poor.
- New orders were brisk.



Shaping the Customers'
Expectations



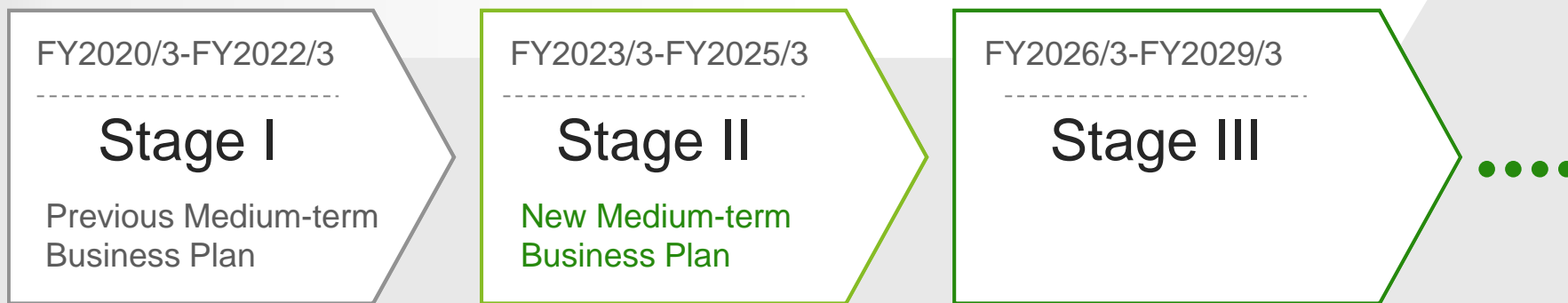
transformation

II . Nohmi Bosai Group Medium- to Long-term Vision 2028

- Shaping the Customers' Expectations -



Medium- to Long-term Vision 2028



At the start of this plan, a medium- to long-term vision statement was formulated.
It defined the orientation for a long period of time.

* For the medium- to long-term vision statement, see page 15.

A Review of the Previous Medium-term Business Plan (Stage I)

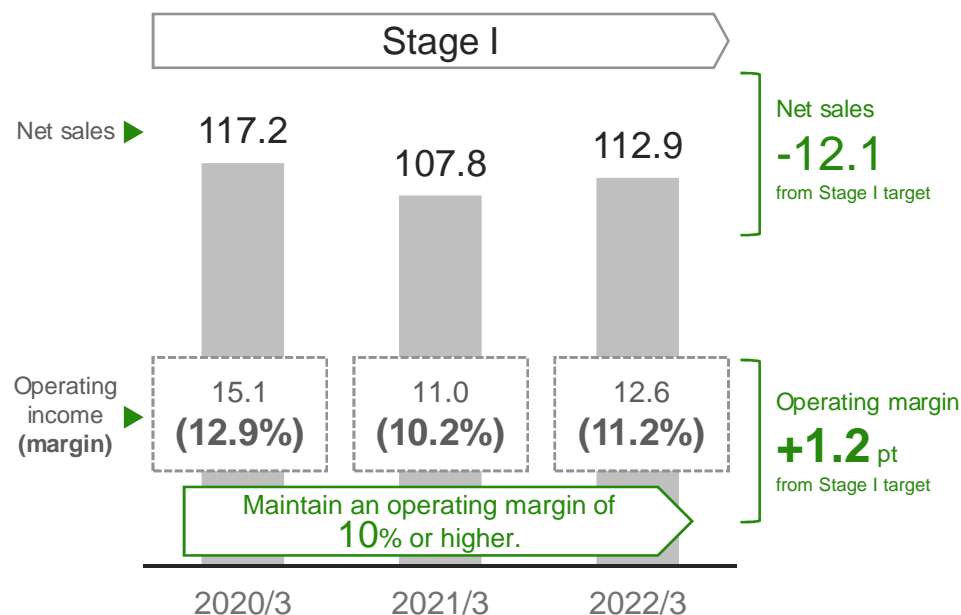
Toward Dramatic Growth Based on Strong “On-site Capabilities”

Priority policies

- (1) Improve human resource capabilities
- (2) Improve business conceptualization and execution capabilities/improve operational precision and speed
- (3) Strengthen group management

Consolidated net sales/Operating income (margin)

(Billion yen)



Successfully done

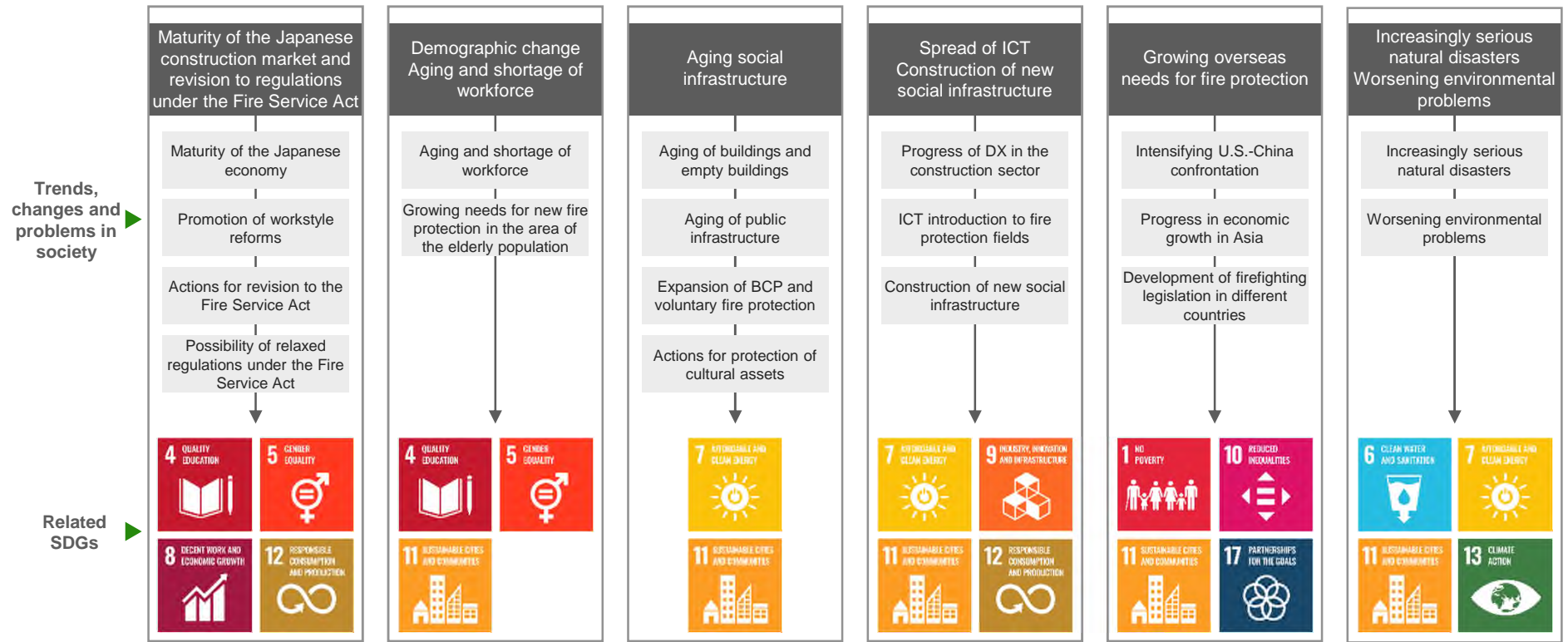
- A corporate culture forged where anyone can work positively and energetically with a can-do spirit
- KPI management entrenched after the strict implementation of the PDCA cycle in the action plan
- Qualitative improvement activities taking root as a result of engagement surveys
- Workstyles without locational constraints increasingly introduced after the acceleration of the digital shift amid restraints on movements
- Systematic personnel skill development entrenched in some divisions with the use of cross-training and other programs
- Systematic personnel development enhanced by the visualization of career plans

Yet to be done

- Develop a system where new initiatives are allowed for seeking new domains or for cultivating existing domains.
- Strengthen overseas business (stagnant due to travel restrictions under the pandemic).
- Reduce overtime working hours mainly in the construction and maintenance divisions.
- Review all business operations and discontinue those that are wasteful to increase efficiency.
- Develop versatile workers by means of job rotation.
- Shift to a personnel evaluation system geared to the expansion of new domains in addition to the cultivation of existing domains.



Awareness of the External Environment



Desired society

Nohmi Bosai's aspirations

A society where precious human lives, property and the environment are protected and where anyone can live happily

Offer original fire protection systems mainly to existing business domains.

Offer optimal fire safety solutions based on customers' issues.

Help resolve customers' issues in all situations of fire protection and monitoring.

Establish a system of construction and maintenance that responds to an aging workforce and labor shortages.

Expand the business coverage to all kinds of disasters as a comprehensive fire protection manufacturer.



Shaping the Customers'
Expectations



transformation

Shape safety to meet **customers'**
expectations and realize a society
where anyone can live happily.

We will help create a society where precious human lives, property and the environment are protected and where anyone can enjoy safety and live happily.

We have an aspiration to be a company that **shapes** safety to meet **customers' expectations** together with customers to deliver solutions to all places by constantly taking the lead in fire protection.

Every one of us will be aware of our mission as a pioneer in fire protection services. We will sincerely listen to those who support the Nohmi Group and gain enhanced insights into **customers' expectations**. We will carry out activities with an inquisitive mindset to realize the targets.



Medium- to Long-term Vision Statement

Shaping the Customers'
Expectations



transformation

Shape safety to meet customers' expectations and realize a society where anyone can live happily.

Nohmi Bosai's aspirations

➔ 1

Offer original fire protection systems mainly to existing business domains.

➔ 2

Offer optimal fire safety solutions based on customers' issues.

➔ 3

Help resolve customers' issues in all situations of fire protection and monitoring.

➔ 4

Establish a system of construction and maintenance that responds to an aging workforce and labor shortages.

➔ 5

Expand the business coverage to all kinds of disasters as a comprehensive fire protection manufacturer.

Realizing the Medium- to Long-term Vision Statement

For shaping safety to meet customers' expectations

Enrich knowledge of personnel and organizations

Personnel strategy for dynamic growth



Accelerate the growth cycle of individuals and the company to achieve dynamic growth

⇒ See p. 20

Co-create with customers

Future co-creation project



Change the styles of proposals to customers to increase the value offered to them.

⇒ See p. 18

Growth investment

Investment plan for the future



Plan to invest in research and development, mergers and acquisitions, equipment, personnel and the environment for the future

⇒ See p. 21

Digital Transformation (DX)

⇒ See p. 22

Create a supply chain for a firmer system of stably supplying products and services.

Respond to issues on the basis of increasing corporate value through sustainability management. ⇒ See p. 23

Change into a company creating higher additional value.



Solution to Social Issues Centered on Future Co-Creation Project



For shaping safety to meet customers' expectations

Personnel strategy for dynamic growth

Investment plan for the future

Future co-creation project



Cultivate and search for business
(cultivate existing domains and search for new ones)

In both new and existing domains, entrench the activities of creating and nurturing seeds for solutions as a system to develop these solutions into pillars for future generations.

Have a higher perspective for solving social issues.

Create a mechanism for continuously devising ideas.

Forge a culture where the development of ideas is continuously encouraged.

Continue investment in commercialization



Develop personnel making proposals

We will gain an insight into what customers seek, going beyond their expectations, and will develop personnel who associate our technological strengths and potential with other companies' technologies to create solutions.

Ability to gain insight into essential issues facing customers

Ability to create an idea from scratch

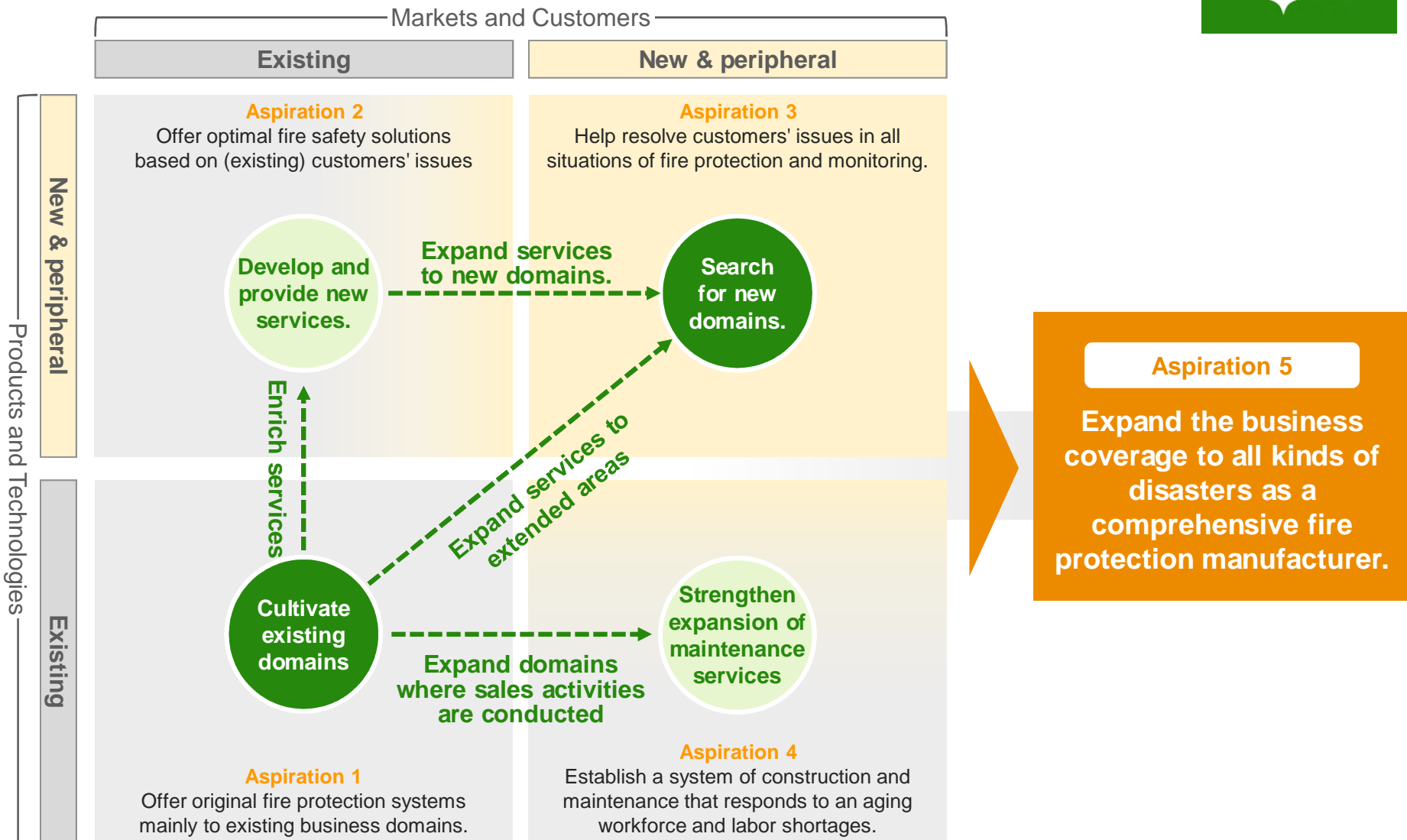
Ability to associate issues with technologies

Move proactively

Increase value offered

Improve the ability to solve social issues

Business Strategy: Basic Orientation





For shaping safety to meet customers' expectations

Vision

Autonomy and initiatives

- Individuals think and act independently and pursue initiatives by fully harnessing their own potential.
- Individuals voluntarily continue to build up their own skills and expertise.

All employees' active performance

- The company ensures that all employees fully harness their potential.
- The company properly rewards individuals for their skills, expertise and displays of their initiatives and ideas (actions and results).

Accelerate the growth cycle

Individuals



Growth of individuals

Company



Growth of the company

Environment and culture supporting performance and growth

Provide a platform for performance and growth

- The company ensures that individuals can work flexibly according to their wishes and circumstances.
- The company ensures that the personality of each individual is respected and that co-creation by diverse personnel comes into being.

Policy

Workstyle reforms

Encourage diverse and flexible workstyles and accelerate labor reduction and the streamlining of operations

Recruitment

Determine personnel requirements matched with the Medium- to Long-term Vision and boost capabilities to recruit personnel in new and existing domains.

Personnel system

Ensure evaluation and treatment according to the roles fulfilled and the level of achievements on the basis of a personnel system that provides a sense of security.

Transfer and assignment

Optimize staff assignments and realize systematic transfers from the perspectives of individuals and the company.

Development

Provide employees with opportunities and choices for increasing the speed of growth.

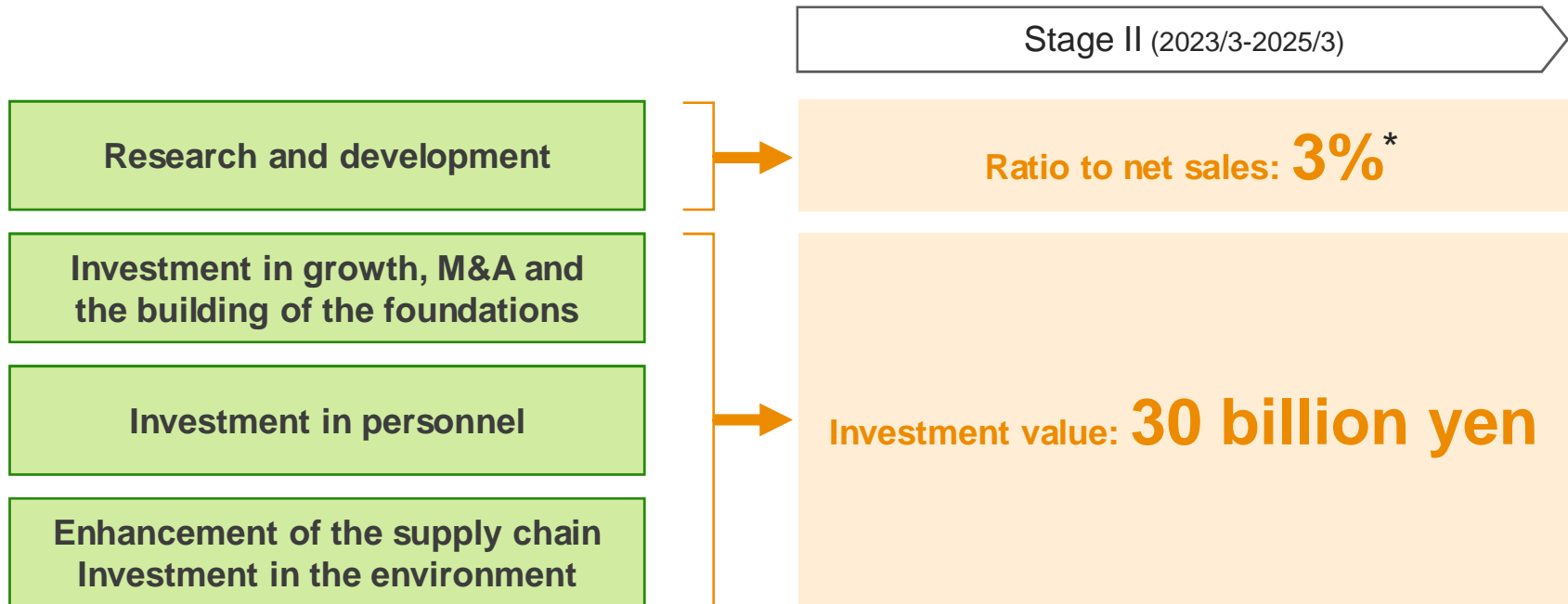
Diversity

Accept personnel with diverse skills and values and create and offer opportunities of performance and growth.



For shaping safety to meet customers' expectations

Investment plan for the future



* As of FY 2029/3



For shaping safety to meet customers' expectations

Change the forms of fire protection and safety

Propose solutions that will bring into being what is beyond expectation

⇒ Digital Transformation (DX)

Stage II (2023/3-2025/3)

Stage III (2026/3-2029/3)

Change the styles of services

- Expand and enhance services on the basis of the cloud
- Create products on the basis of the cloud

Change customer services

- Strive to build a system for achieving labor savings in inspection
- Work to build a system for achieving labor savings in construction

Carry out internal digitalization to streamline back office operations

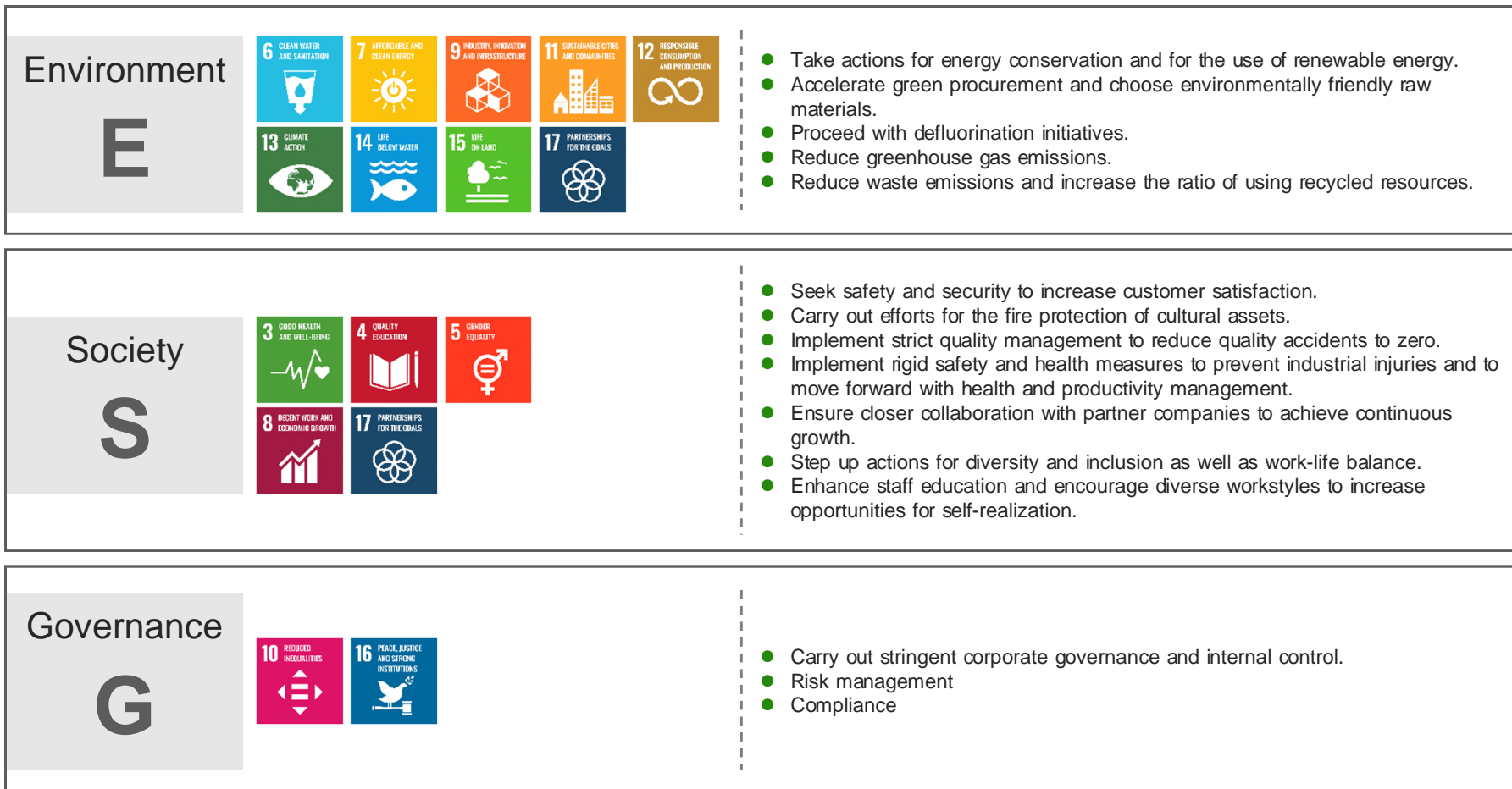
- e.g. Shift to paperless operation across the company

⇒ Fortifying the foundation

Improve the cloud platform and a system for offering cloud operation services and proposal-based services and build up personal skills

Respond to Issues on the Basis of Increasing Corporate Value through Sustainability Management

To create a society where precious human lives, property and the environment are protected and where anyone can live happily





Dividend and Shareholder Returns Policy

Setting a consolidated payout target of 40% by FY2025/3 in the Stage II period, we will aim to stably and continuously enrich shareholder returns.

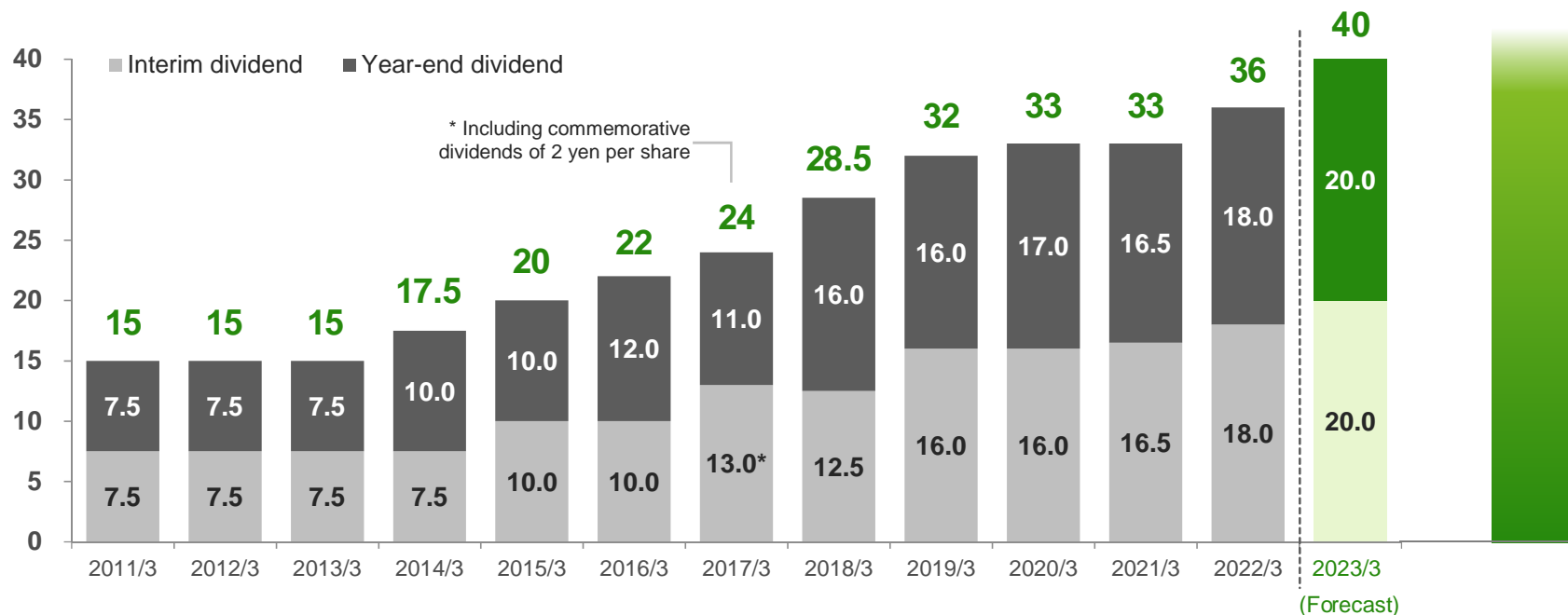
Trend in dividend per share

(Yen)

* We have not reduced dividends, excluding extraordinary dividends, since FY1979/3.

Stage II period
(2023/3-2025/3)

Aim for a consolidated
payout ratio of **40%**



Payout ratio	48.5%	50.6%	31.4%	21.9%	21.4%	20.0%	20.8%	18.8%	24.7%	18.9%	26.1%	23.2%	33.7%
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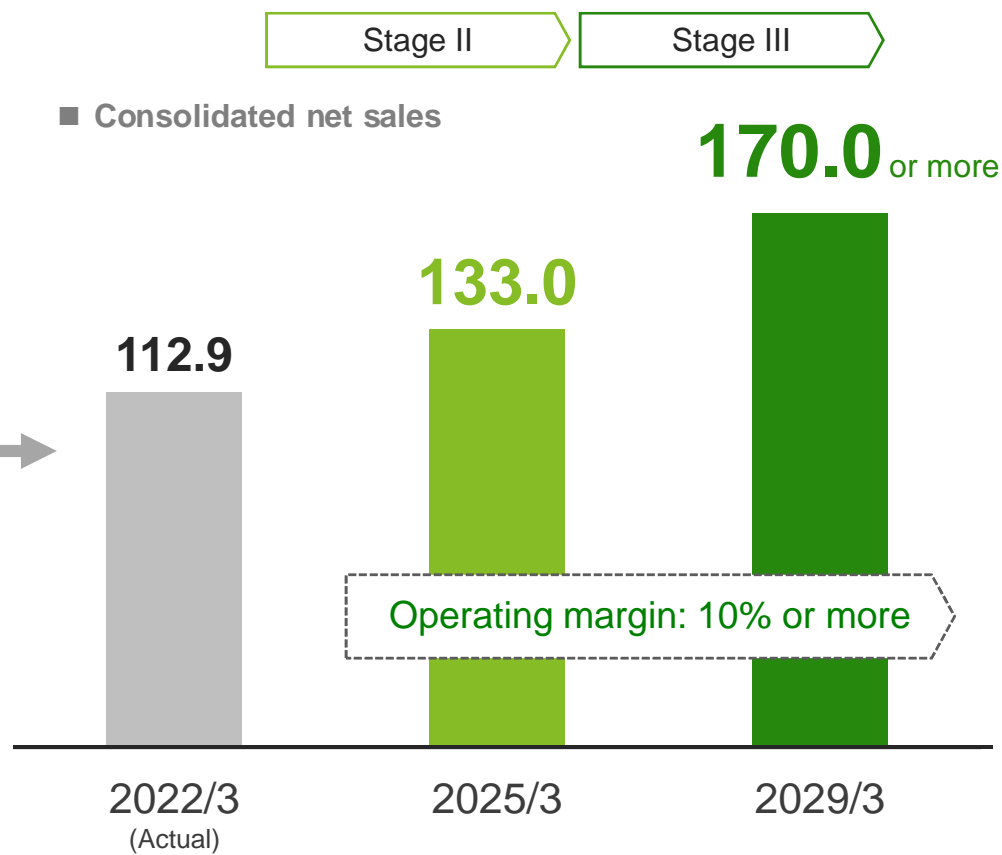
Numerical Targets

Medium- to Long-term Business Targets

(Billion yen)

	(Billion yen)
	2022/3 (Actual)
New orders	110.9
Net sales	112.9
Operating income	12.6
(Op. Margin)	(11.2%)
Ordinary income	13.1
Net income attributable to owners of parent	9.3
ROE	8.8%

■ Consolidated net sales



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Expectations



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III . Forecast for FY2023/3

Forecast for FY2023/3 (Consolidated)

(Million yen)

	FY2022/3	FY2023/3	Vs. FY2022/3	
	Actual	Forecast	Amount	Pct.
New orders	110,948	112,000	+1,051	+0.9%
Net sales	112,913	111,000	-1,913	-1.7%
Gross profit	38,762	36,700	-2,062	-5.3%
Gross margin	34.3%	33.1%	-1.2pt	—
SG&A expenses	26,128	26,600	+471	+1.8%
Operating income	12,633	10,100	-2,533	-20.1%
Operating margin	11.2%	9.1%	-2.1pt	—
Ordinary income	13,155	10,400	-2,755	-20.9%
Net income attributable to owners of parent	9,351	7,150	-2,201	-23.5%
EPS (yen)	155.07	118.57		
ROE	8.8%	6.5%		

New orders forecasted to stay flat year on year

We will strive to win new orders comparable with the previous year's level in a situation where there is concern about the impact of component supply constraints.

Income will slide due to the concentration of highly profitable projects in the previous fiscal year

The previous year had a concentration of projects with relatively high profitability. Rising raw material prices is a cause for concern.

Structure built for realizing Medium- to Long-term Vision 2028

We will firmly retain operating income of at least 10 billion yen while making different investments under adverse circumstances.

We will build a structure for consolidated net sales of 170 billion yen in FY2029/3.

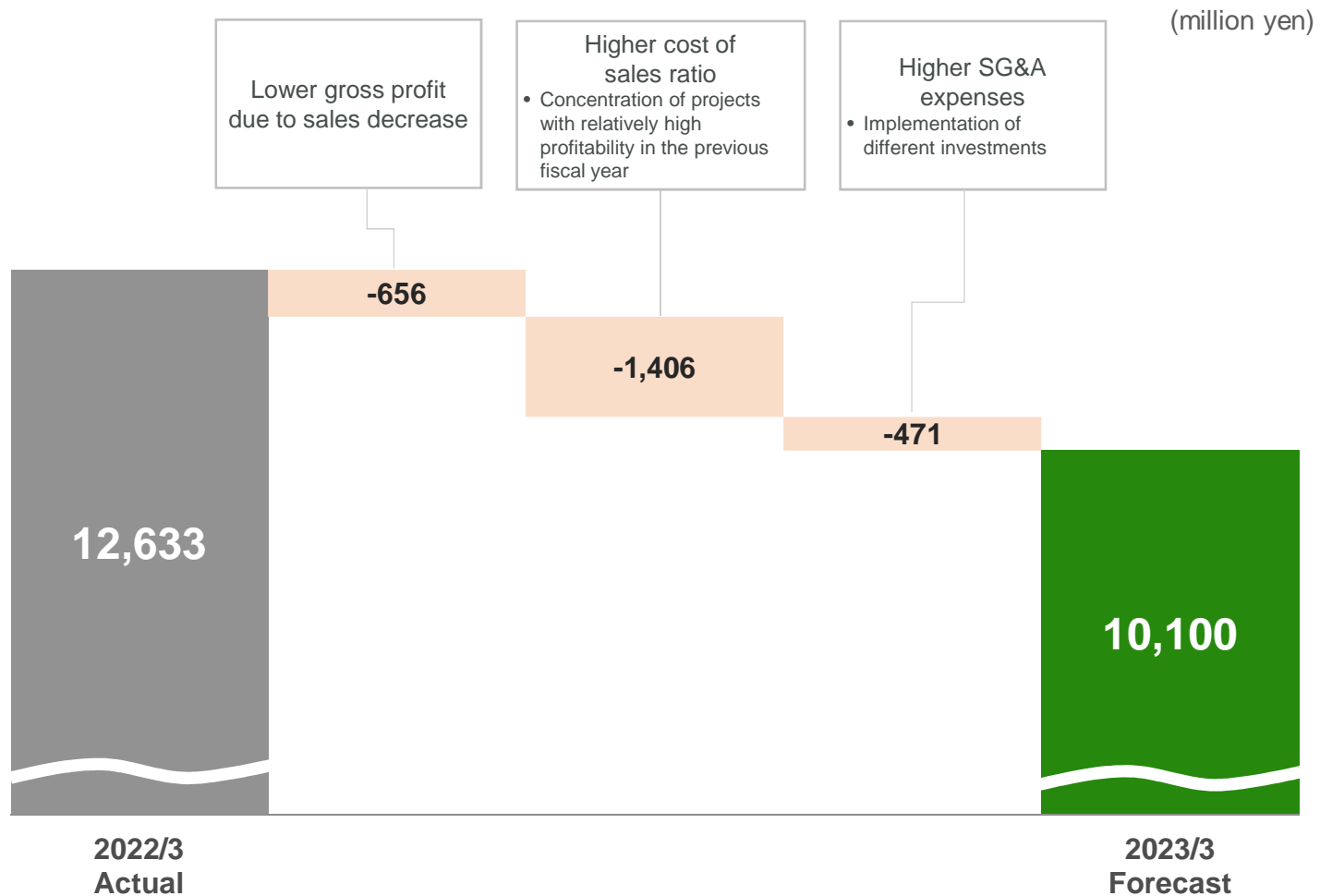
Forecast for FY2023/3 by Segments

(Million yen)

		FY2022/3	FY2023/3	Vs. FY2022/3	
		Actual	Forecast	Amount	Pct.
Fire Alarm Systems	Net sales	42,100	40,013	-2,086	-5.0%
	Operating income	8,617	6,707	-1,910	-22.2%
	Operating margin	20.5%	16.8%	-3.7pt	—
Fire Extinguishing Systems	Net sales	39,715	37,618	-2,097	-5.3%
	Operating income	7,197	5,837	-1,359	-18.9%
	Operating margin	18.1%	15.5%	-2.6pt	—
Maintenance Services	Net sales	26,300	27,690	+1,390	+5.3%
	Operating income	4,854	5,625	+771	+15.9%
	Operating margin	18.5%	20.3%	+1.9pt	—
Others	Net sales	5,120	6,000	+880	+17.2%
	Operating income	46	132	+85	+183.0%
	Operating margin	0.9%	2.2%	+1.3pt	—
Elimination/ Corporate	Net sales	-322	-322	—	—
	Operating income	-8,081	-8,202	-120	—
Consolidated	Net sales	112,913	111,000	-1,913	-1.7%
	Operating income	12,633	10,100	-2,533	-20.1%

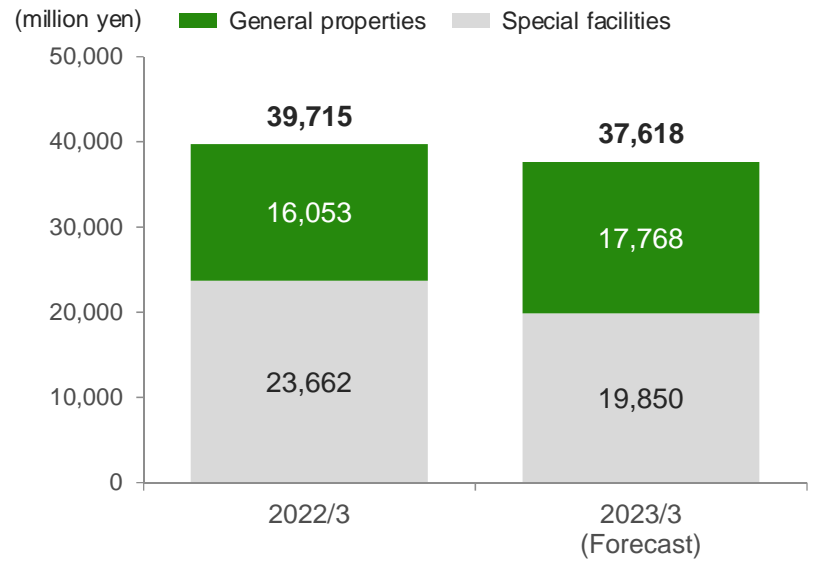
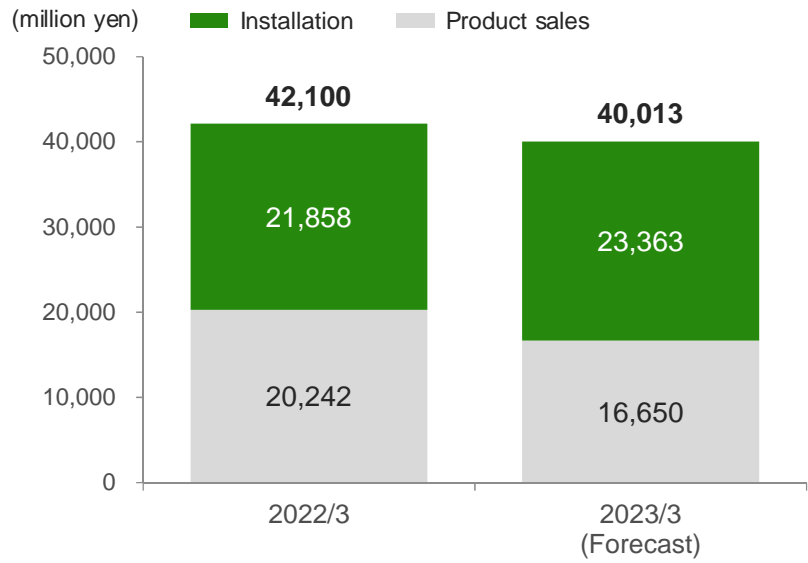


Analysis of Operating Income Forecast



Fire Alarm Systems

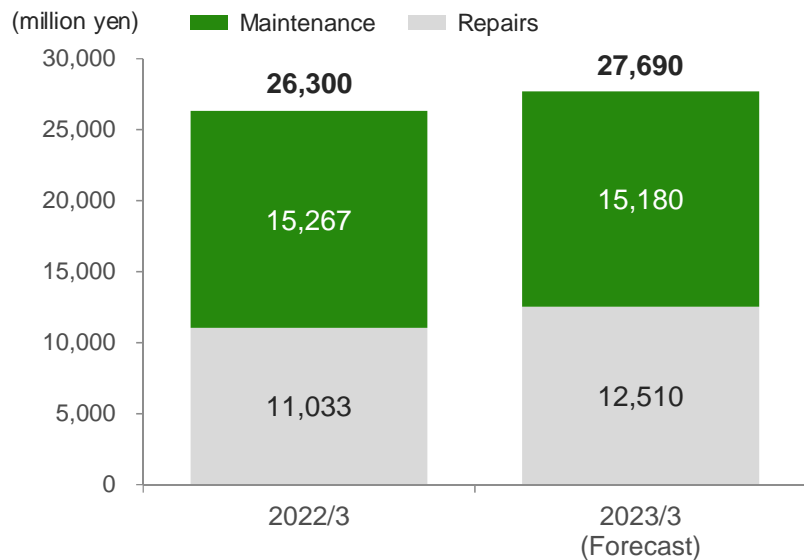
Fire Extinguishing Systems



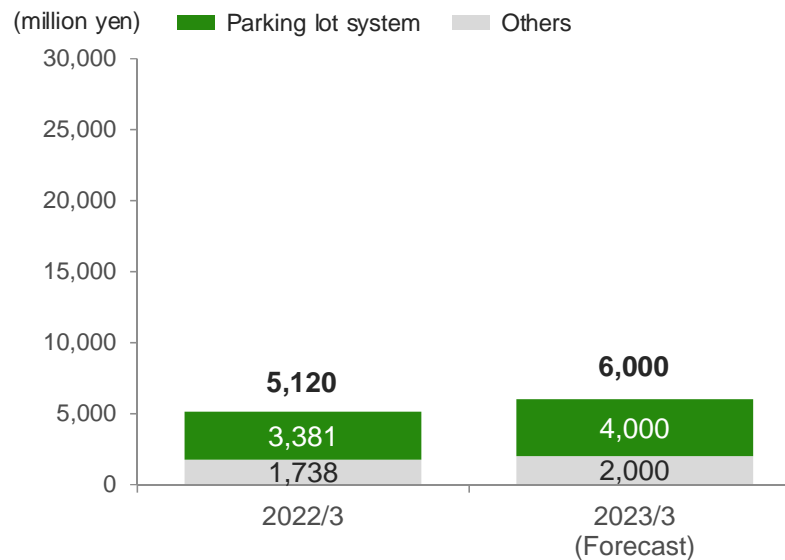
- Net sales are expected to slide, due chiefly to a concentration of large projects in the previous fiscal year.

- Net sales are expected to tumble given decrease in large projects. We will endeavor to secure orders for increasing sales for the next fiscal year.

Maintenance Services



Others



- We forecast stable growth of results after the accumulation of sales of repair works.

- A turnaround to some extent is projected even though conditions are likely to remain severe due to the pandemic.

Shaping the Customers'
Expectations



transformation

IV. Reference



Comprehensive fire safety company

➤ Trade Name	NOHMI BOSAI LTD.
➤ Head Office	7-3 Kudan-Minami, 4-Chome, Chiyoda-ku, Tokyo Japan
➤ Establishment	May 5, 1944 (Foundation: December, 1916)
➤ President	Takeshi Okamura, Representative Director and President
➤ Capital	13,302 million yen (As of March 31, 2022)
➤ Employees	2,635 (consolidated) (As of March 31, 2022)
➤ Business	Contract test, planning, proposal regarding disaster prevention. Research, development, planning, installation and maintenance of disaster prevention facilities and systems. Design, manufacturing and marketing of disaster prevention equipment. Design, manufacturing, installation, marketing and maintenance of parking lot system.



History

100th anniversary

- 2022 Listed on Tokyo stock exchange Prime Market
- 2021 Released "Panic in the Office" a virtual reality office fire experience
- 2019 TASKis® cloud disaster response support software was launched
- 2018 R-26C fire alarm system for midsize/large buildings was launched
- 2017 Menuma factory was expanded and "Nohmi Technorium Menuma" an exhibition facility was established.
- 2016 Automatic fire extinguisher system "SPlash α" was launched.
- 2014 Manual fire alarm box with ring-shaped location lamp won GOOD DESIGN Gold prize
- 2013 Image processing smoke detection system was launched.
- 2010 Established R&D center in Misato, Saitama
- 2009 Aspirating super-high sensitivity smoke detection system PROTECVIEW was launched.
- 2006 Third-party allocation of shares to SECOM Co., Ltd.
- 2004 Mamoru-kun 10 the fire alarm equipment for houses was launched.
- 2002 Conventional fire alarm system with automatic testing function "Advanced P" was launched.
- 1995 Nohmi Secom Fire Protection (Beijing) Co., Ltd. established in China.
- 1991 Listed on Tokyo stock exchange 1st section
- 1987 Installed fire protection systems in the Seikan Tunnel and the Seto bridge.
- 1974 Developed fire protection systems for LNG terminal
- 1968 Installed the first ionization type fire detection system in the Kasumigaseki Building, which was the first highrise building in Japan.
- Listing of stock 1962 Installed the first fire protection systems in the Kajiwara-Tennosan tunnel of the Meishin Expressway in Japan. Listed on Tokyo stock exchange 2nd section
- 1936 Installed the first fire alarm systems at the imperial palace
- 1933 Installed the first fire alarm systems at Sanjyusangendo Temple, first in Japan for a national treasure.
- 1924 "Nohmi Shokai" started a fire protection business to manufacture and sell automatic fire alarm systems after the Great Kanto Earthquake
- Establishment 1916 Teruichi Nohmi established "Nohmi Shokai"



R-26C



Nohmi Technorium Menuma



Menuma factory



R&D center Misato



Manual fire alarm box with ring-shaped location lamp



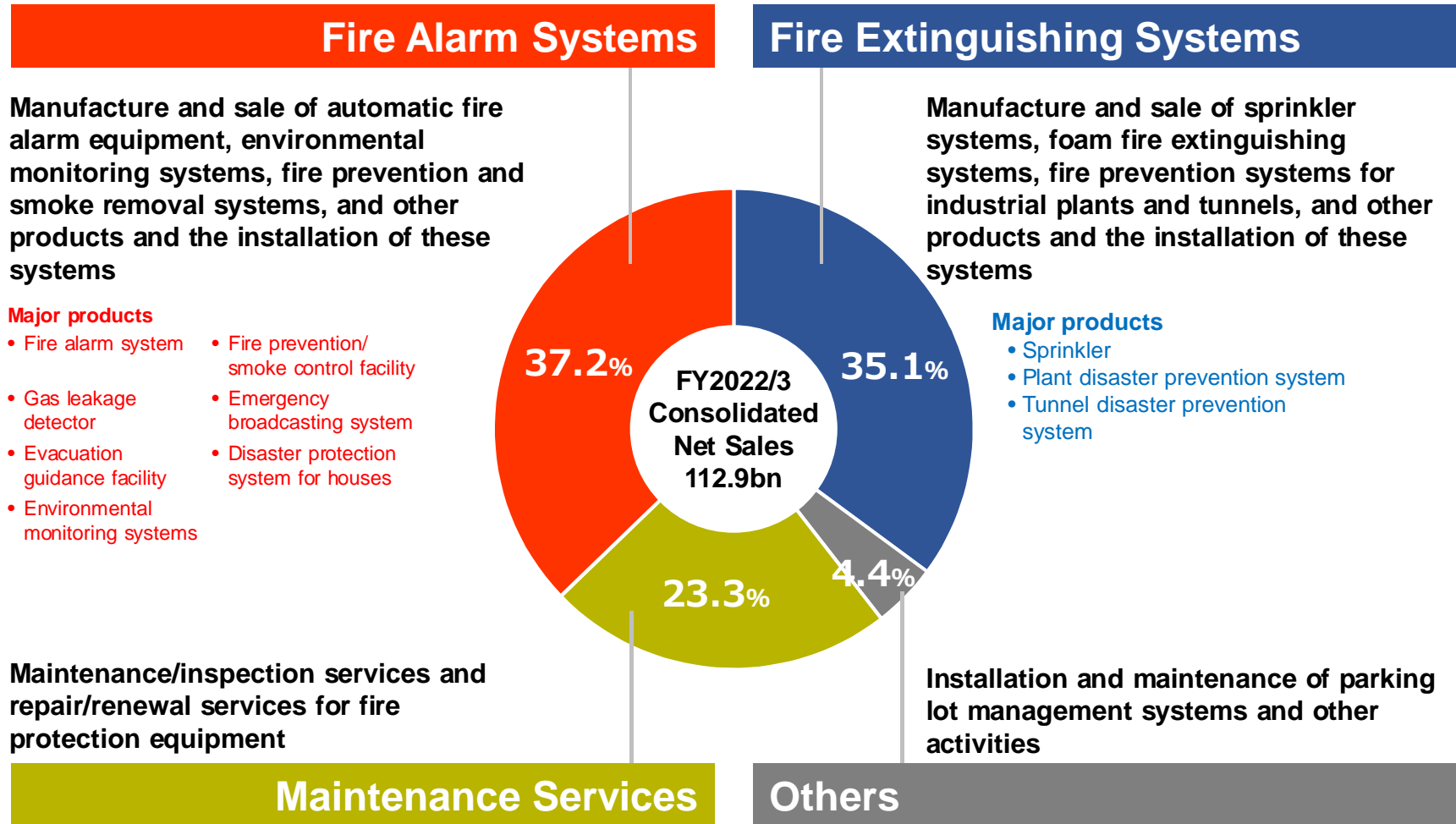
PROTECVIEW



Teruichi Nohmi



Oku-Goten in imperial palace completion ceremony





Comprehensive fire safety expertise

- R&D ⇒ Manufacturing ⇒ Sales/Design ⇒ Installation ⇒ Maintenance
A fully integrated infrastructure for providing products and services

Fully integrated



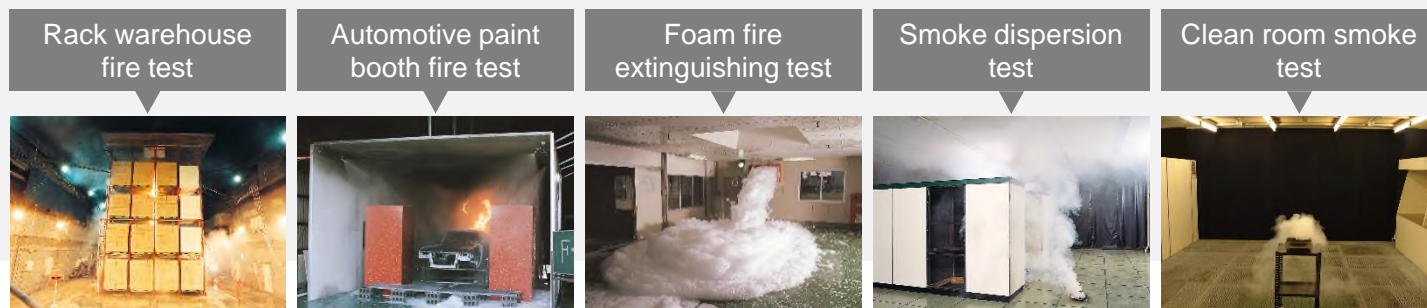
- A diverse lineup of equipment allows Nohmi to meet the fire protection requirements of almost any type of building or other facility



Five key strengths backed by many years of accomplishments

- 1 Technology** – Development, design, installation and other skills covering all aspects of fire protection
- 2 Knowledge** – Fire safety expertise acquired from an enormous volume of research and testing
- 3 Installation quality** – Rigorous process management and other skills ensure outstanding quality for all installation work
- 4 Reliability** – A reputation for trust among customers and all others due to a record of proven reliability
- 5 Nationwide network** – A powerful network of sales distributors covering all areas of Japan

*Simulations cover almost all potential sources of fires





Statements in this presentation about future results of operations are based on information that is currently available to Nohmi Bosai and its group companies. These forecasts incorporate risk factors and uncertainties.

Actual results of operations may differ significantly from the forecasts in this presentation because of a change in the economic environment for business activities, a shift in demand or other reasons.