

**Dedicated to reliable fire prevention and protection for people,
businesses, communities and society**



FY2020/3 Results of Operations

May 26, 2020

NOHMI BOSAI LTD.



I . Consolidated Results FY2020/3



Record-high orders, sales and earnings

Orders and sales surpassed ¥110 billion, operating and ordinary income exceeded ¥15 billion, and net income attributable to owners of parent exceeded ¥10 billion for the first time.

Sales and earnings were higher than the forecast

Sales continued to grow and earnings benefited from a large number of projects with relatively high profit margins.

Uncertainty about the effects of COVID-19

Only a negligible effect of this crisis in FY2020/3

Using teleworking and other measures to prevent the spread of COVID-19

Consolidated Results of Operation

(Million yen)

	FY2019/3	FY2020/3		Vs. FY2019/3		Vs. Plan	
	Results	Plan	Results	Amount	Pct.	Amount	Pct.
New orders	107,860	116,000	111,872	+4,011	+3.7%	-4,127	-3.6%
Net sales	106,774	114,000	117,294	+10,519	+9.9%	+3,294	+2.9%
Cost of sales	67.4%	68.2%	66.5%	-0.9pt	—	-1.7pt	—
Gross profit	34,847	36,200	39,305	+4,457	+12.8%	+3,105	+8.6%
SG&A expenses	23,480	24,200	24,165	+685	+2.9%	-34	-0.1%
Operating income	11,366	12,000	15,139	+3,772	+33.2%	+3,139	+26.2%
Operating margin	10.6%	10.5%	12.9%	+2.3pt	—	+2.4pt	—
Ordinary income	11,644	12,200	15,448	+3,803	+32.7%	+3,248	+26.6%
Net income attributable to owners of parent	7,804	8,000	10,516	+2,712	+34.8%	+2,516	+31.5%
EPS (yen)	129.42	132.67	174.41				
ROE	9.2%	9.1%	11.4%				

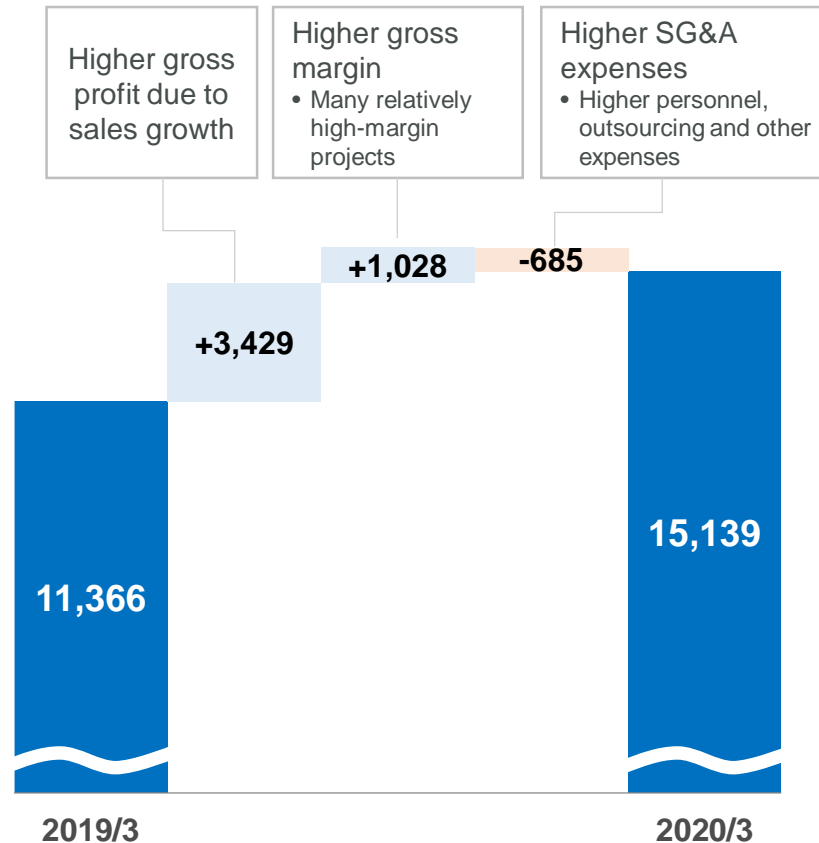
Consolidated Results by Segments

(Million yen)

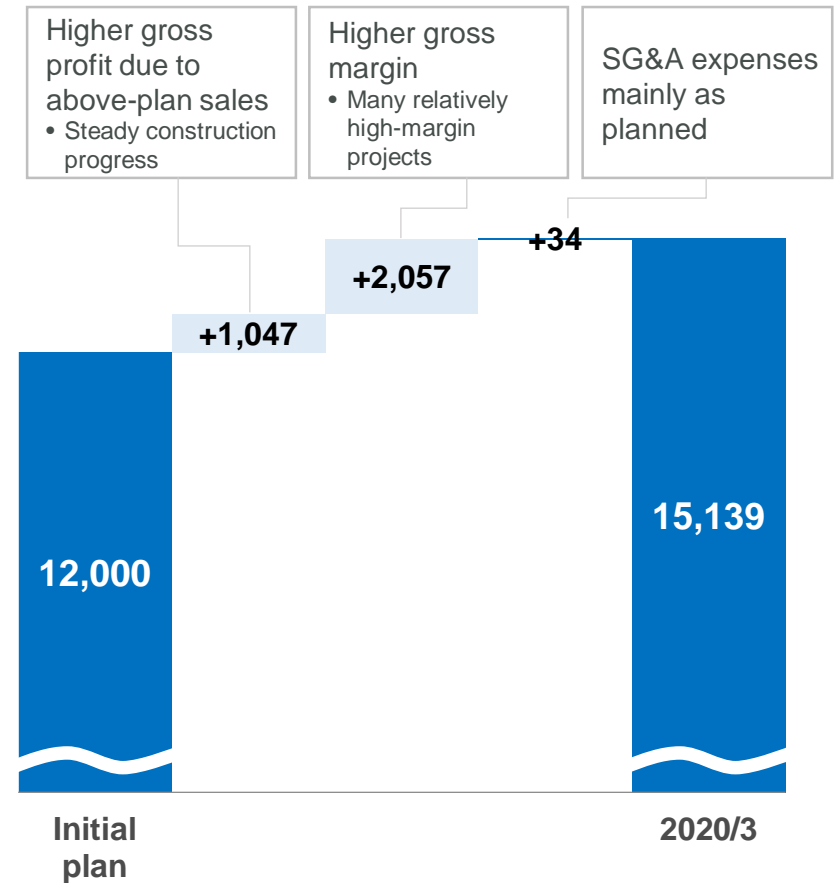
		FY2019/3	FY2020/3		Vs. FY2019/3	Vs. Plan
		Results	Plan	Results	Amount	Amount
Fire Alarm Systems	Net sales	38,379	41,661	41,108	+2,729	-553
	Operating income	6,911	7,340	7,672	+760	+331
	Operating margin	18.0%	17.6%	18.7%	+0.7pt	+1.1pt
Fire Extinguishing Systems	Net sales	37,118	40,637	42,805	+5,687	+2,167
	Operating income	5,349	5,874	7,984	+2,634	+2,109
	Operating margin	14.4%	14.5%	18.7%	+4.3pt	+4.2pt
Maintenance Services	Net sales	25,831	26,230	27,482	+1,651	+1,252
	Operating income	5,488	5,375	6,162	+673	+786
	Operating margin	21.2%	20.5%	22.4%	+1.2pt	+1.9pt
Others	Net sales	5,807	5,832	6,272	+464	+439
	Operating income	319	389	490	+171	+100
	Operating margin	5.5%	6.7%	7.8%	+2.3pt	+1.1pt
Elimination/ Corporate	Net sales	-361	-361	-373	-11	-11
	Operating income	-6,701	-6,980	-7,168	-467	-188
Consolidated	Net sales	106,774	114,000	117,294	+10,519	+3,294
	Operating income	11,366	12,000	15,139	+3,772	+3,139

Analysis of Change in Operating Income

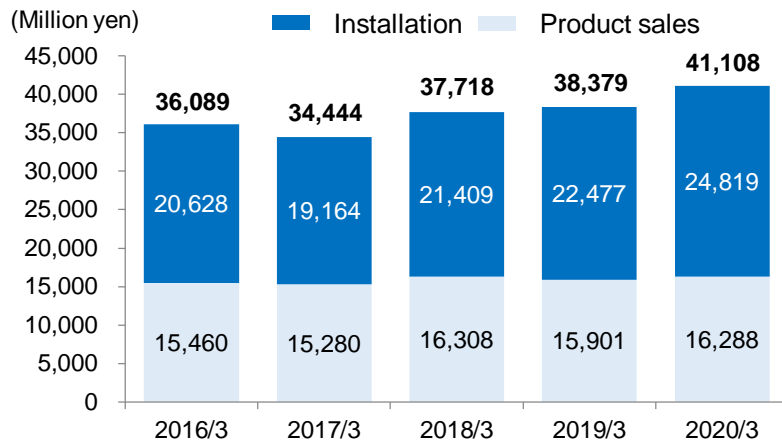
Vs. FY2019/3 (million yen)



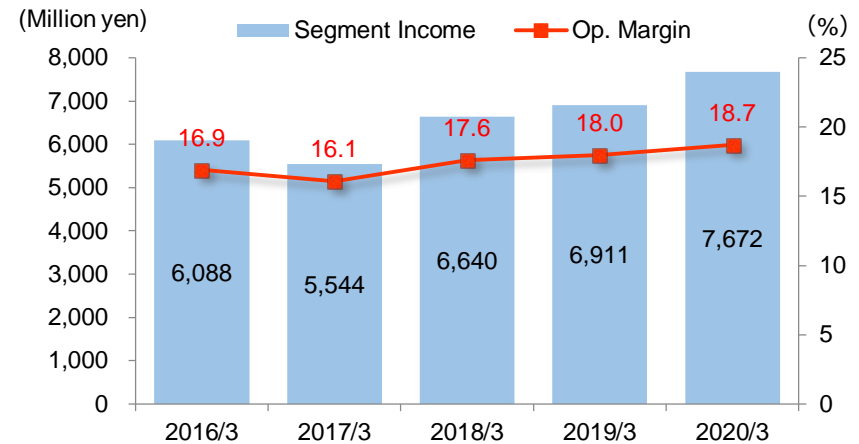
Vs. Plan (million yen)



Net Sales (before elimination)



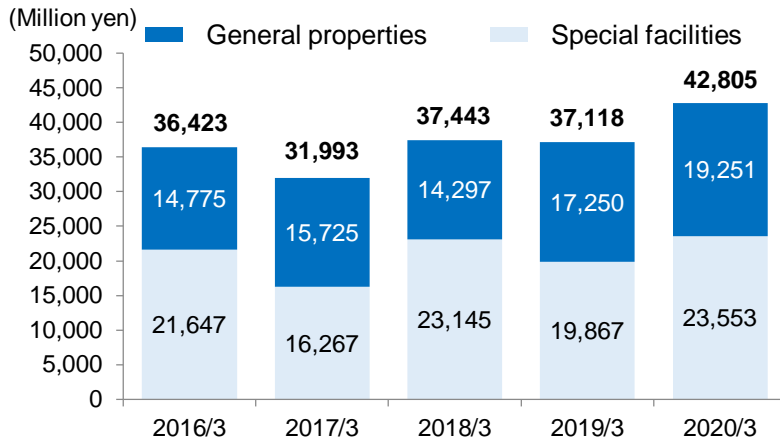
Segment Income & Operating Margin



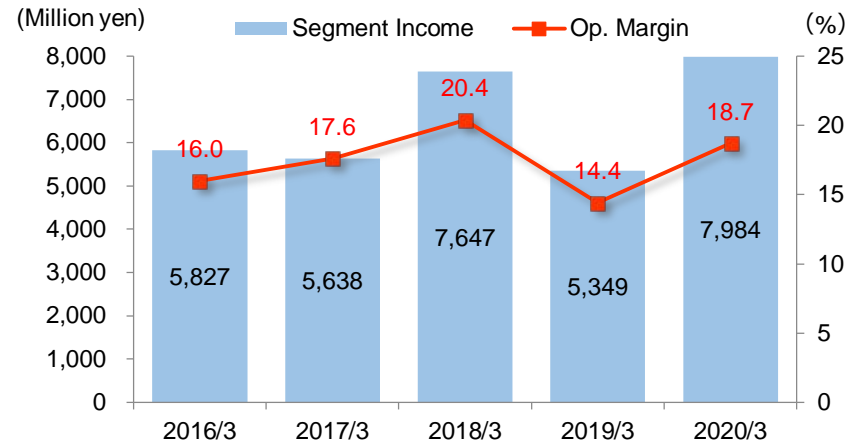
	2019/3	2020/3		Vs. 19/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	40,467	42,400	38,441	-5.0	-9.3
Backlog of orders	14,303	—	11,728	-18.0	—
Net sales	38,379	41,661	41,108	+7.1	-1.3
Installation	22,477	24,311	24,819	+10.4	+2.1
Product Sales	15,901	17,350	16,288	+2.4	-6.1
Segment income	6,911	7,340	7,672	+11.0	+4.5

- › Orders were down from the high level of FY2019/3 as orders did not increase as much as planned despite favorable market conditions
- › The operating margin increased because of the large number of projects with relatively high margins, mainly renewal projects
- › Record-high sales and earnings

Net Sales (before elimination)



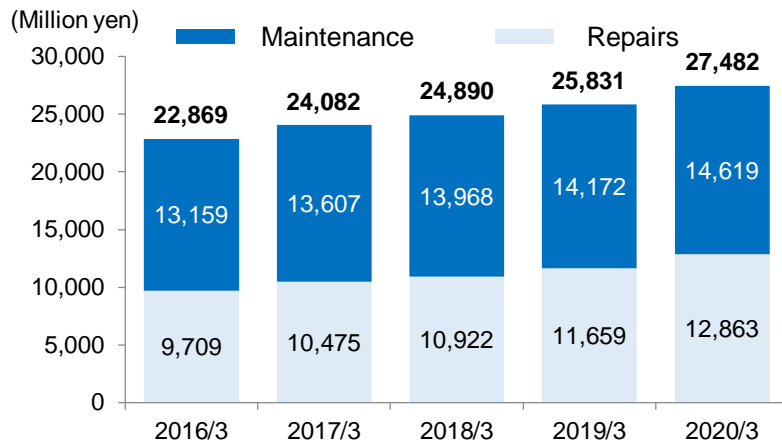
Segment Income & Operating Margin



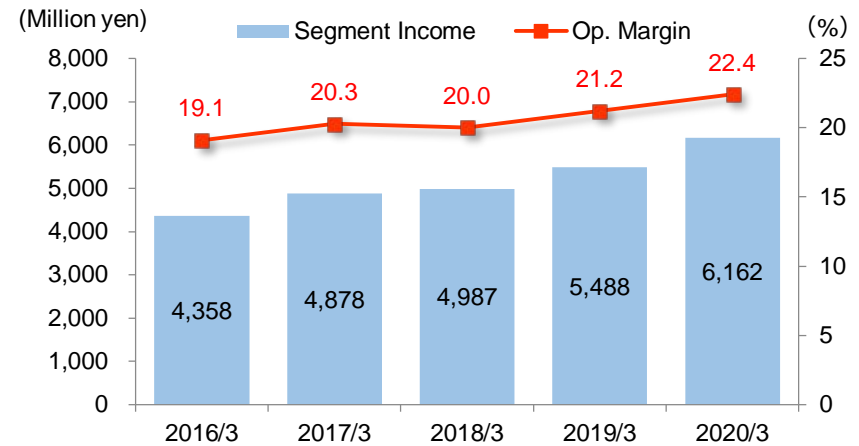
	2019/3	2020/3		Vs. 19/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	35,398	41,300	40,419	+14.2	-2.1
Backlog of orders	36,439	—	34,133	-6.3	—
Net sales	37,118	40,637	42,805	+15.3	+5.3
General properties	17,250	19,267	19,251	+11.6	-0.1
Special facilities	19,867	21,370	23,553	+18.6	+10.2
Segment income	5,349	5,874	7,984	+49.3	+35.9

- The order backlog increased 14% mainly because of special facilities order growth.
- Sales increased and the operating margin improved from FY2019/3 when there were many low-margin projects.
- Record-high sales and earnings

Net Sales (before elimination)



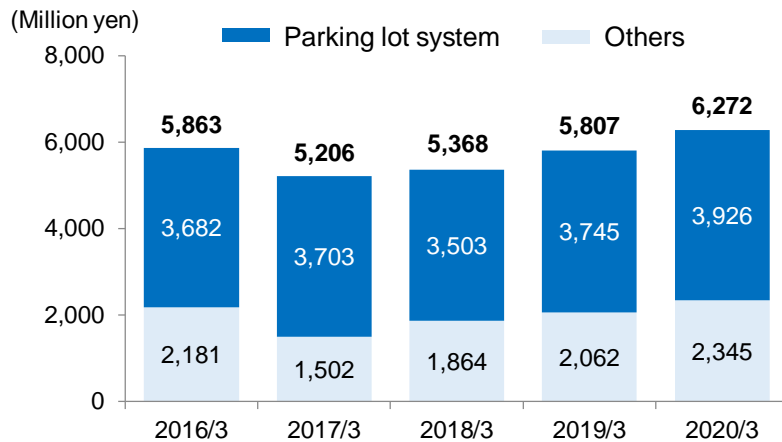
Segment Income & Operating Margin



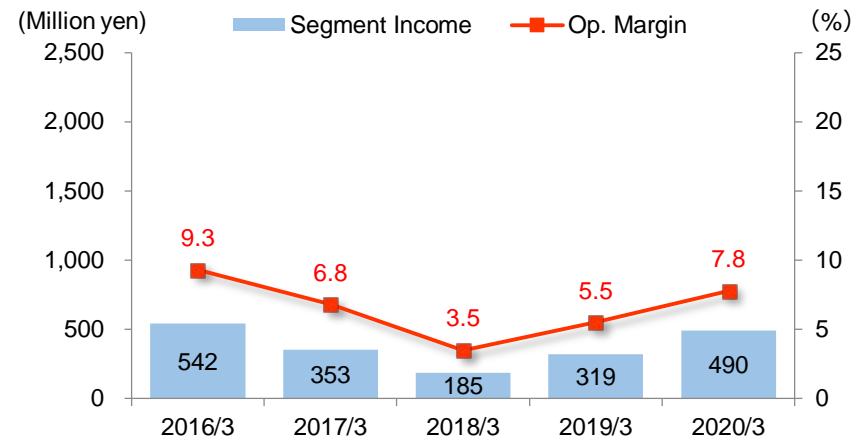
	2019/3	2020/3		Vs. 19/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	26,277	26,700	26,935	+2.5	+0.9
Backlog of orders	4,571	—	4,024	-12.0	—
Net sales	25,831	26,230	27,482	+6.4	+4.8
Maintenance	14,172	14,190	14,619	+3.2	+3.0
Repairs	11,659	12,040	12,863	+10.3	+6.8
Segment income	5,488	5,375	6,162	+12.3	+14.6

- Orders increased as market conditions remained favorable.
- Sales increased due to many renewal projects and the operating margin improved due to efficiency initiatives and other reasons
- Record-high order received, sales and earnings

Net Sales (before elimination)



Segment Income & Operating Margin



	2019/3	2020/3		Vs. 19/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	5,716	5,600	6,075	+6.3	+8.5
Backlog of orders	742	—	747	+0.6	—
Net sales	5,807	5,832	6,272	+8.0	+7.5
Parking lot system	3,745	3,740	3,926	+4.8	+5.0
Others	2,062	2,092	2,345	+13.7	+12.1
Segment income	319	389	490	+53.6	+25.7

- Orders and sales continued to increase.
- Earnings were higher despite the challenging business climate.

Ⅱ . Forecast for FY2021/3

NOHMI

Forecast for FY2021/3 (Consolidated)

(Million yen)

	FY2020/3	FY2021/3	Vs. FY2020/3	
	Actual	Forecast	Amount	Pct.
New orders	111,872	105,000	-6,872	-6.1%
Net sales	117,294	107,000	-10,294	-8.8%
Gross profit	39,305	34,400	-4,905	-12.5%
Gross margin	33.5%	32.1%	-1.4pt	—
SG&A expenses	24,165	23,400	-765	-3.2%
Operating income	15,139	11,000	-4,139	-27.3%
Operating margin	12.9%	10.3%	-2.6pt	—
Ordinary income	15,448	11,200	-4,248	-27.5%
Net income attributable to owners of parent	10,516	7,450	-3,066	-29.2%
EPS (yen)	174.41	123.55		
ROE	11.4%	7.7%		

Forecast lower sales and earnings because of COVID-19

The forecast assumes that some business activities will be restricted until the end of June.

Expect to maintain an operating margin of at least 10%

Despite the COVID-19 impact, the operating margin is expected to be at least 10%, which is the medium-term plan target, because of effective sales activities and cost cutting.

Activities will continue while monitoring changes in markets

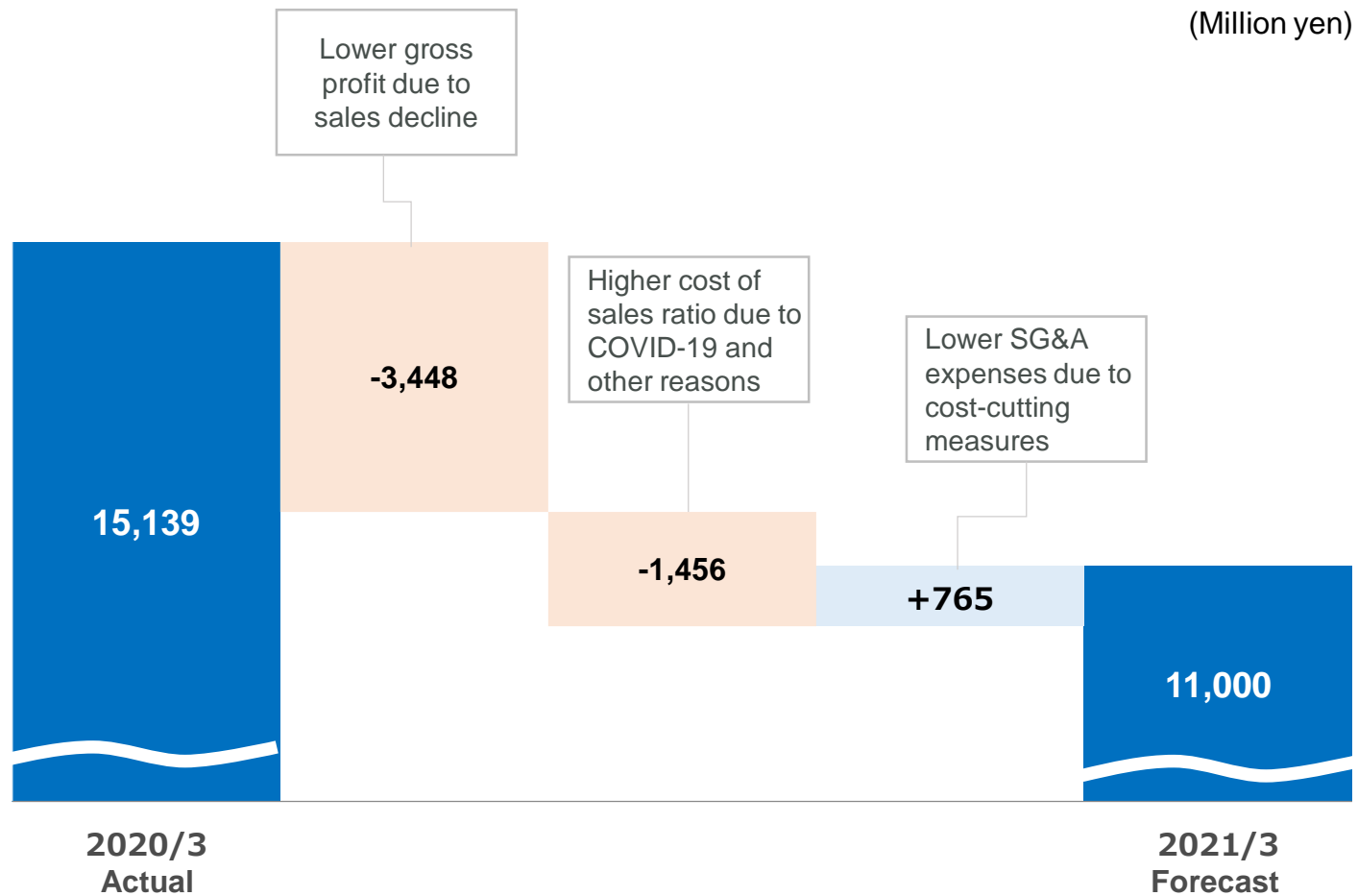
COVID-19 may cause construction delays and make it difficult to receive new orders. But initiatives involving R&D, human resources and other aspects of operations will continue.

Forecast for FY2021/3 by Segments

(Million yen)

		FY2020/3	FY2021/3	Vs. FY2020/3	
		Actual	Forecast	Amount	Pct.
Fire Alarm Systems	Net sales	41,108	37,652	-3,455	-8.4%
	Operating income	7,672	6,469	-1,202	-15.7%
	Operating margin	18.7%	17.2%	-1.5pt	—
Fire Extinguishing Systems	Net sales	42,805	39,059	-3,745	-8.8%
	Operating income	7,984	6,313	-1,670	-20.9%
	Operating margin	18.7%	16.2%	-2.5pt	—
Maintenance Services	Net sales	27,482	25,320	-2,162	-7.9%
	Operating income	6,162	4,957	-1,204	-19.5%
	Operating margin	22.4%	19.6%	-2.8pt	—
Others	Net sales	6,272	5,341	-930	-14.8%
	Operating income	490	297	-192	-39.3%
	Operating margin	7.8%	5.6%	-2.3pt	—
Elimination/ Corporate	Net sales	-373	-373	—	—
	Operating income	-7,168	-7,039	+129	—
Consolidated	Net sales	117,294	107,000	-10,294	-8.8%
	Operating income	15,139	11,000	-4,139	-27.3%

Analysis of Operating Income Forecast

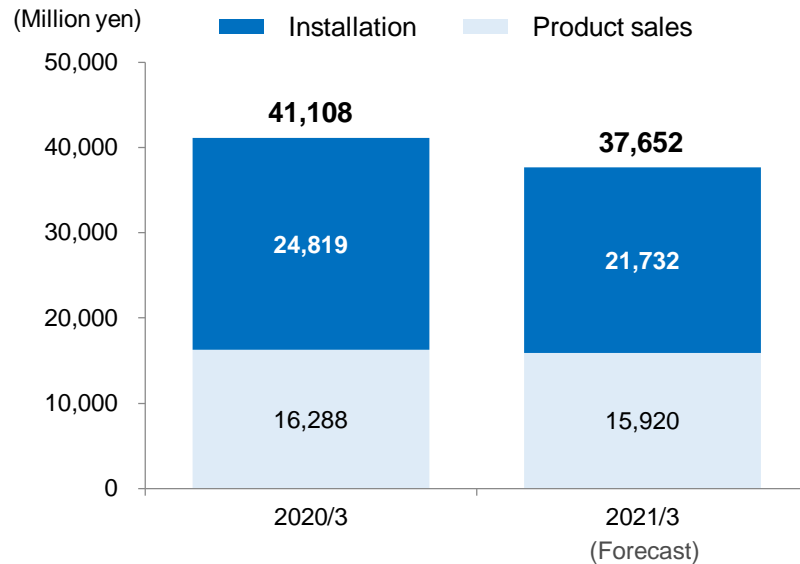


Forecast by Segments (1)

Fire Alarm Systems

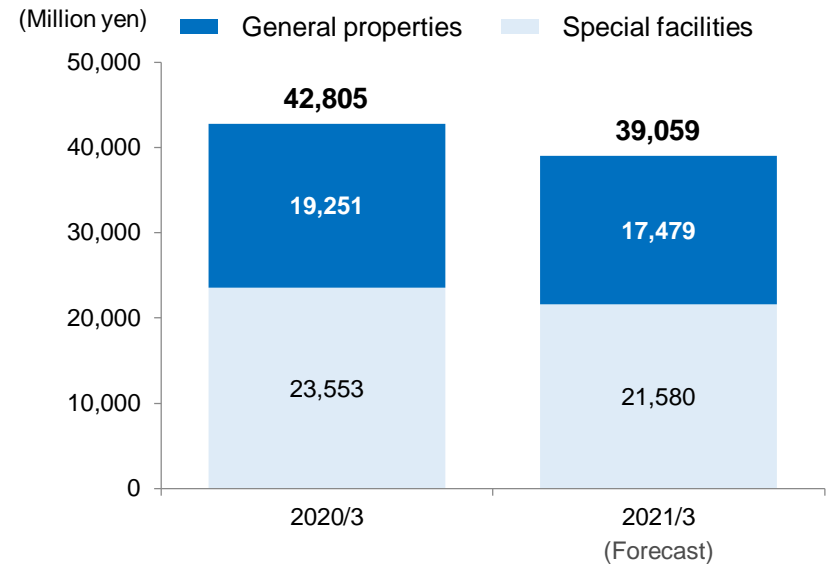
Fire Extinguishing Systems

Fire Alarm Systems



➤ The goal is to minimize the negative impact of COVID-19 on sales, mainly sales of products.

Fire Extinguishing Systems



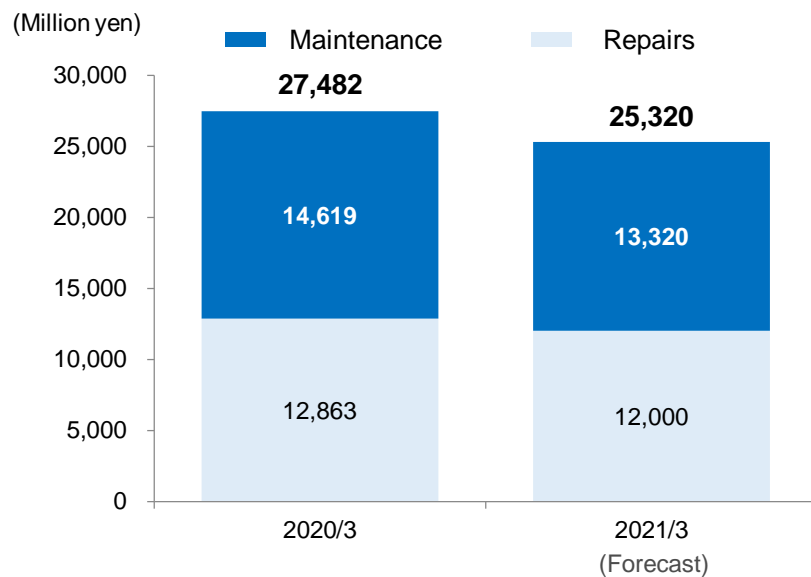
➤ Expect sales to remain high because of strong orders in FY2020/3, mainly for special facilities.

Forecast by Segments (2)

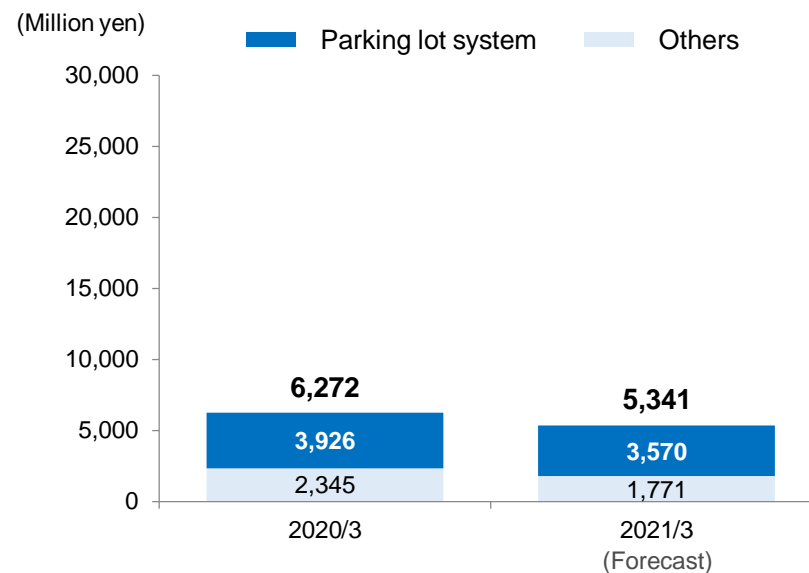
Maintenance
Services

Others

Maintenance Services



Others

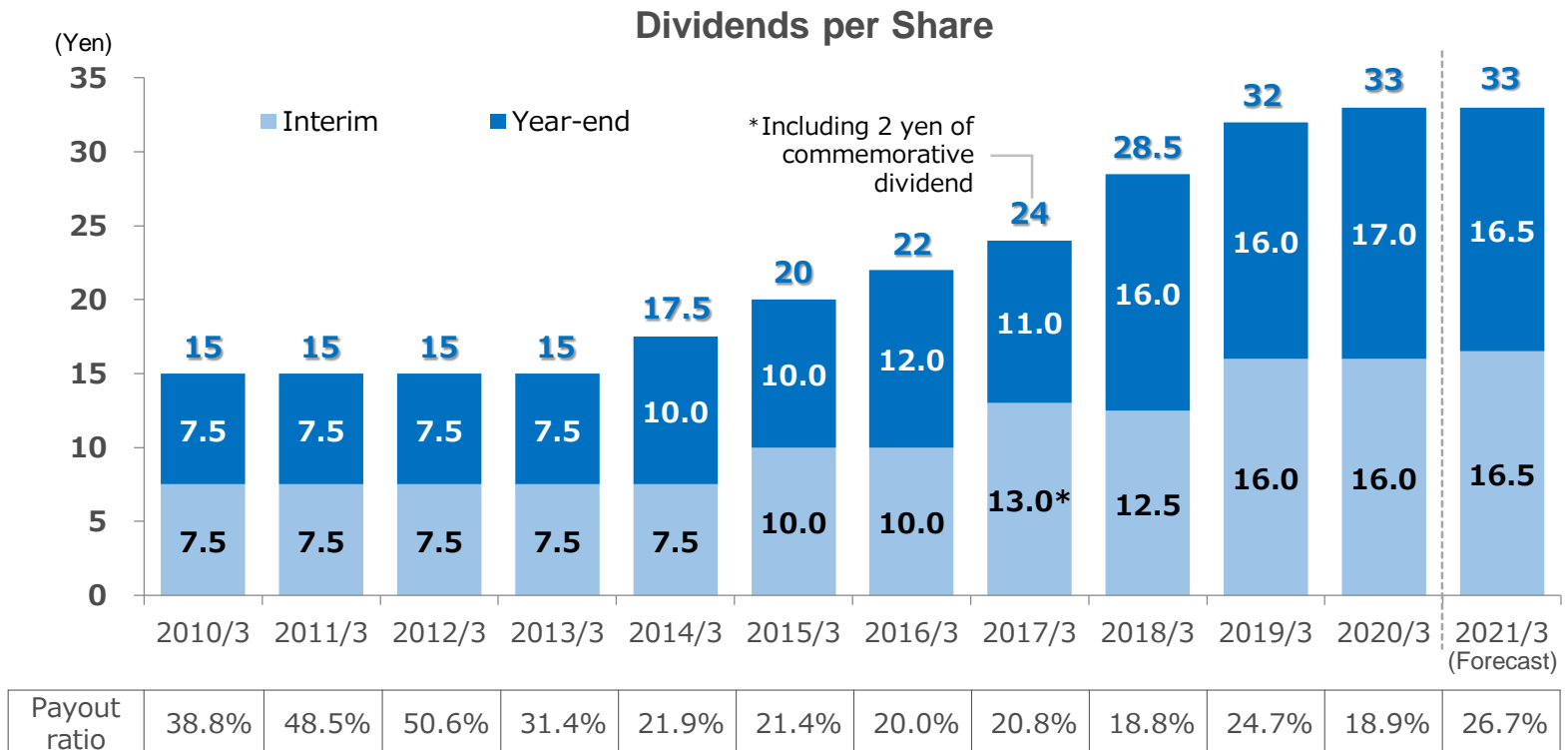


➤ The sales forecast is based on the outlook for contributions from extensive proposal-based sales activities and other measures, although the outlook is unclear.

➤ Forecast lower sales and earnings in part because of COVID-19.

Consistent dividends are the priority for shareholder distributions

Dividends have never been reduced since 1978, excluding special dividends



Ⅲ. Medium-term Plan

“project 2021”

(FY2020/3-FY2022/3)

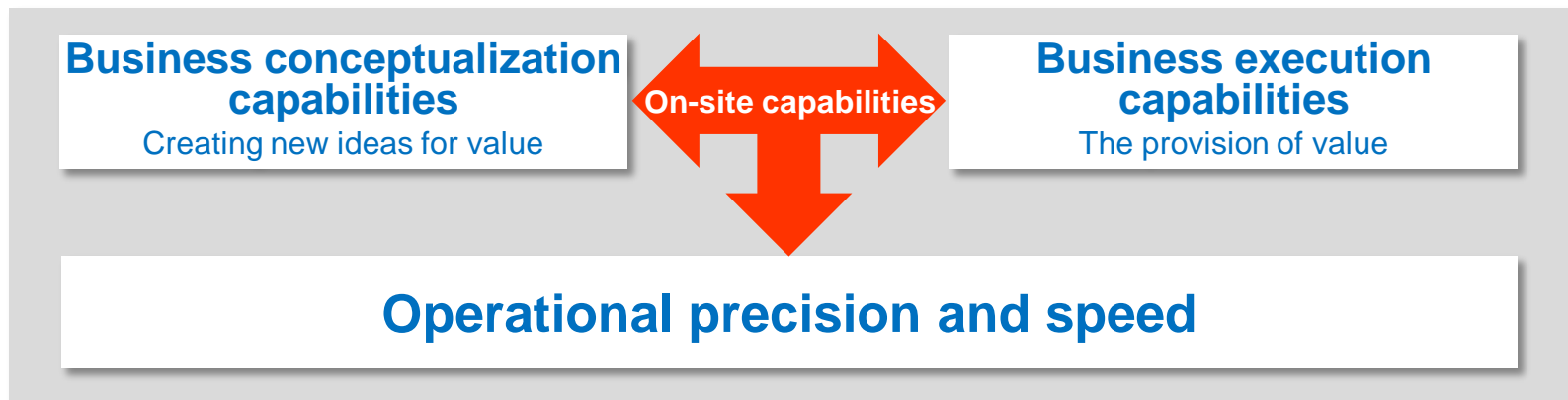


Our mission

As a pioneer in the fire protection industry, Nohmi will continue to be a source of value that contributes to public safety by using foresight about upcoming changes in markets and the world.

Stronger On-site Capabilities

the key to adapt to changes in the business climate and move on to an even higher stage



On-site capabilities are the ability to discover issues and problems at job sites on our own with the involvement of everyone and the ability to use the resources of the entire organization to devise solutions.

Vision

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

Continue to be pioneers in fire protection fields as a comprehensive fire protection company

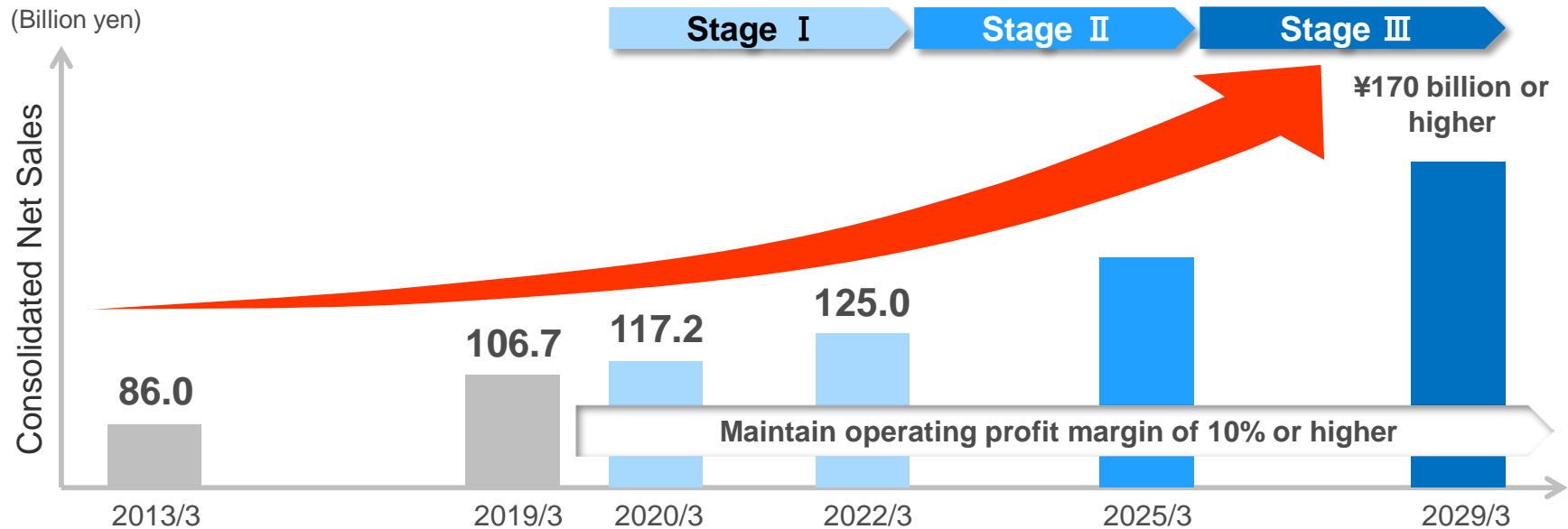
Priority policies of Medium-Term Business Plan

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

Create a foundation for even higher stages of growth (investments, new initiatives).

Quantitative Targets

Consolidated net sales/Operating profit margin



R&D investment

- Collaborate with related in-house and external bodies and introduce elemental and other technologies (data technology, AI, IoT, ...)
 - Promote in-house development of Nohmi Bosai's core technologies
- Toward the development of next-generation new products**

Experimental research expenses

¥2.2bn

¥3.0bn

¥5.0bn

Percentage of consolidated net sales

2.1%

2.4%

3.0%

Medium-term Plan Priority Policy Progress and New Goals

1 Improve human resource capabilities

2 Build a stronger base for core businesses

Cultural property fire protection projects (example)

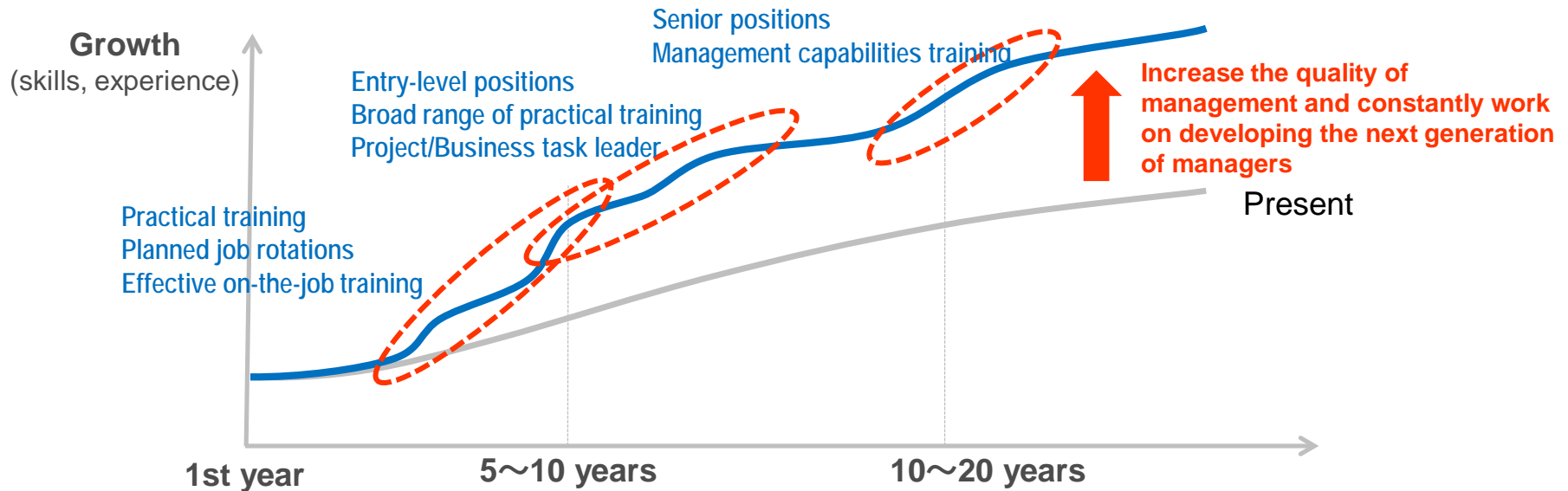
3 Improve business conceptualization and execution capabilities/improve operational precision and speed

4 Strengthen group management

Improve Human Resource Capabilities

Improve human resource capabilities

- Effective on-the-job training and well-planned job rotations
- Upgrade practical training and management skills training with training equipment, etc.



Onward

More activities to become the company people choose first and where people grow and develop skills

More job reassignments
for personal growth

Increased use of the cross-
training*

Start new training programs
for management

Other
actions

*Individuals learn by spending time at other departments and business units

Build a Stronger Base for Core Businesses

Build a stronger core business base and start new businesses

New businesses will target peripheral fields for meeting customer needs that may occur from current businesses.



Established the new business study group

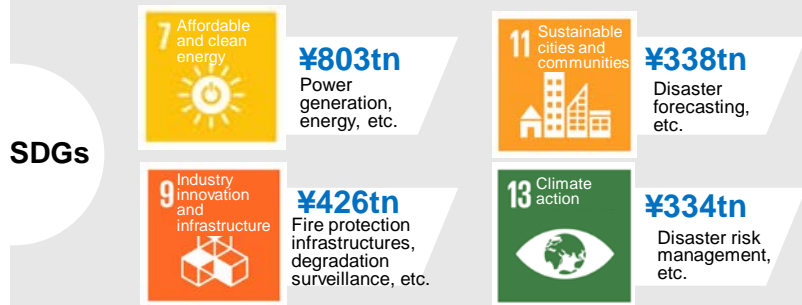
Actions Select and continuously study projects/working group themes

Use external education and training resources

2021/3 Increase use of temporary staffing to provide new solutions

Large size of the Nohmi Group's direct/indirect markets

*Market size estimates are as of 2017



Source: Nohmi Bosai using "The Potential of SDGs Businesses and Formation of Rules" of Deloitte Tohmatsu Consulting, December 2017 (https://webdesk.jsa.or.jp/pdf/dev/md_3079.pdf)

More growth expected for the strategic businesses of Japan



- Many issues involving the critical social need for disaster preparedness
- Monitoring activities of national government study groups and other activities *Including activities other than at the Fire and Disaster Management Agency

Source: Nohmi Bosai using "Visionary Conference for the First Moon Shot R&D Program" March 29, 2019 of the Prime Minister of Japan and His Cabinet

Build a Stronger Base for Core Businesses (cultural property fire protection)

Upcoming growth of the cultural property fire protection market

Increase in needs based on the five-year fire protection plan

(FY2021/3 to FY2025/3)

Japanese government actions for cultural property fire protection

(following the Notre Dame fire in Paris and Shuri Castle fire in Okinawa)

Agency for Cultural Affairs Revised and announced fire protection guidelines for national treasures and important cultural properties

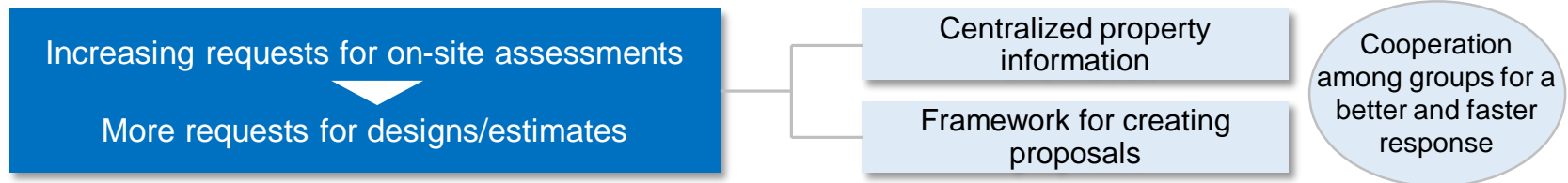
Minister of MEXT Established a five-year fire protection plan for World Heritage Sites, national treasures and other properties

Priorities

- World Heritage Sites and national treasures (buildings)
- Museums and other locations that have national treasures and important cultural properties (art objects), following checks for deterioration and other problems

Activities in response to the rapid increase in the number of properties

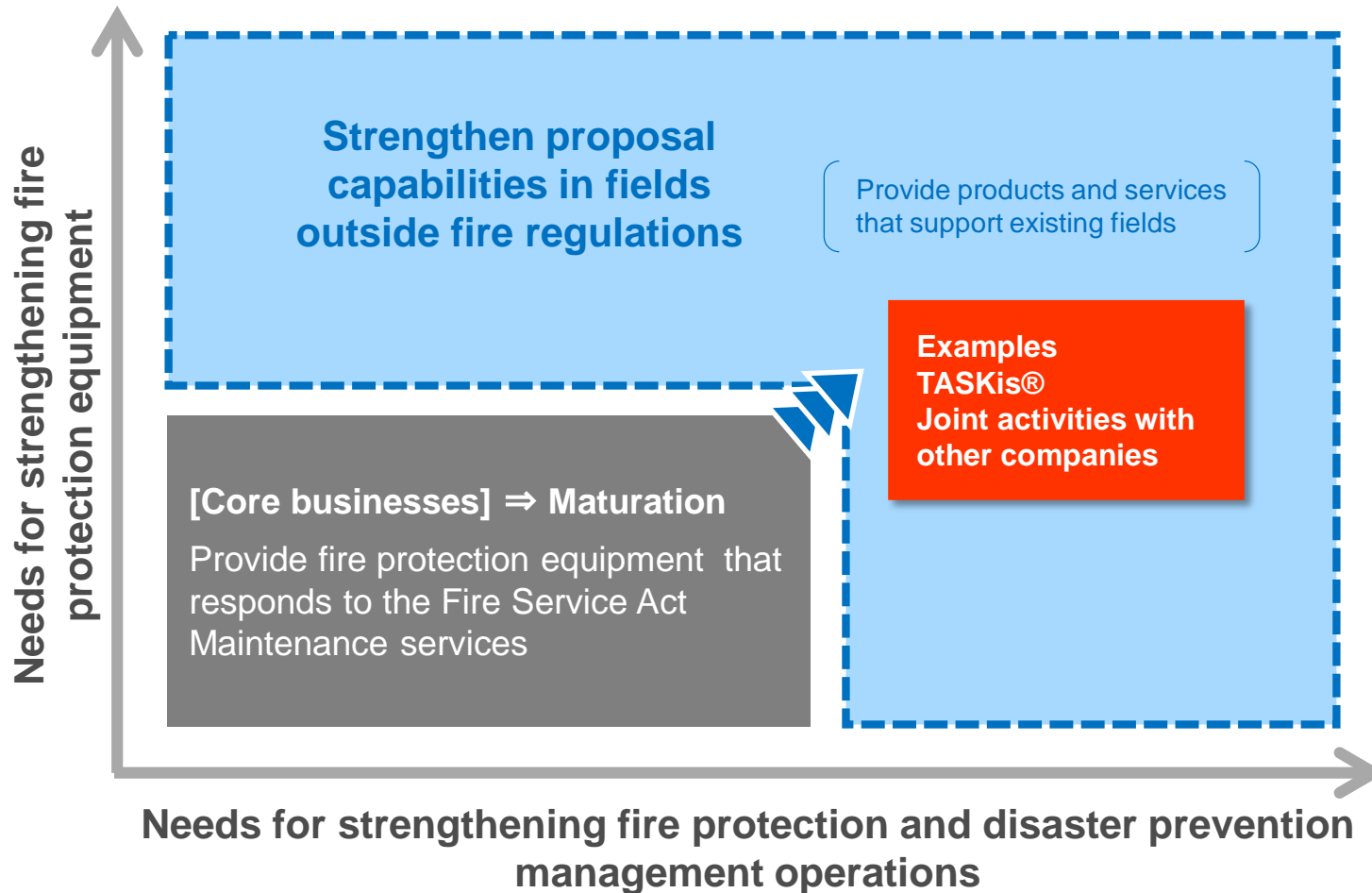
Established a “**control tower**” section for centralized information management and coordination of activities throughout the Nohmi Group



Upcoming actions

- (1) **Continue to upgrade proposals for protecting cultural properties**
- (2) **Measures to handle a larger number of projects (recruit construction workers, further upgrade training for personnel, etc.)**

Expand business fields

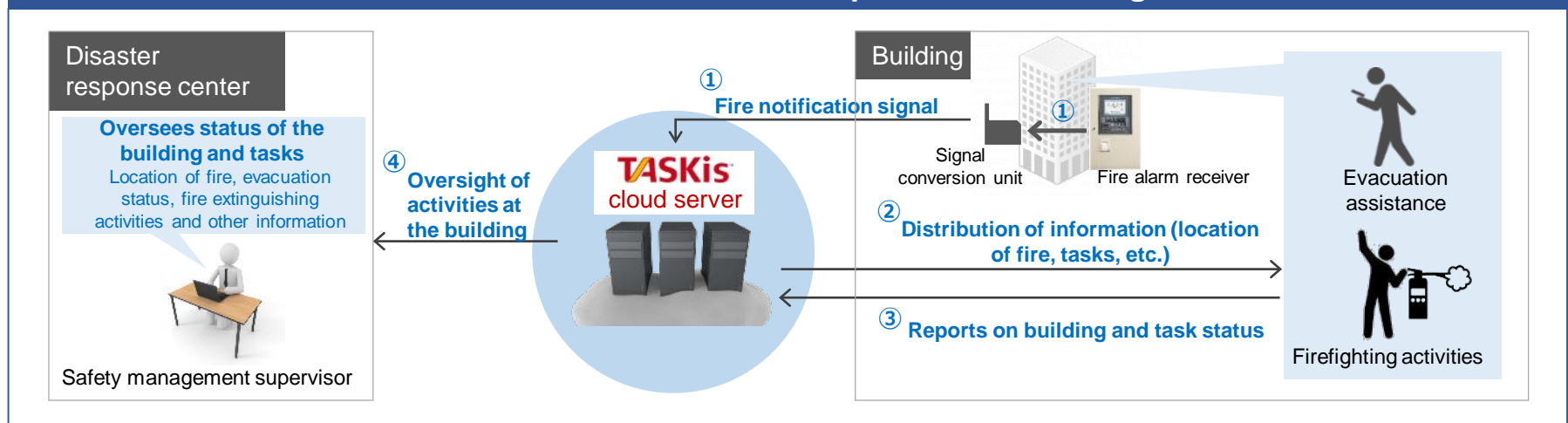


Reinforce proposal skills by supplying new forms of value

Main functions of the **TASKis** cloud disaster response support software

- Uses smartphones to distribute instructions on tasks to perform in the event of a fire, earthquake or other emergency involving business continuity plans.
- Supervisors can use PCs for real-time monitoring of reports on progress with these tasks.

Illustration of how TASKis® responds to a building fire

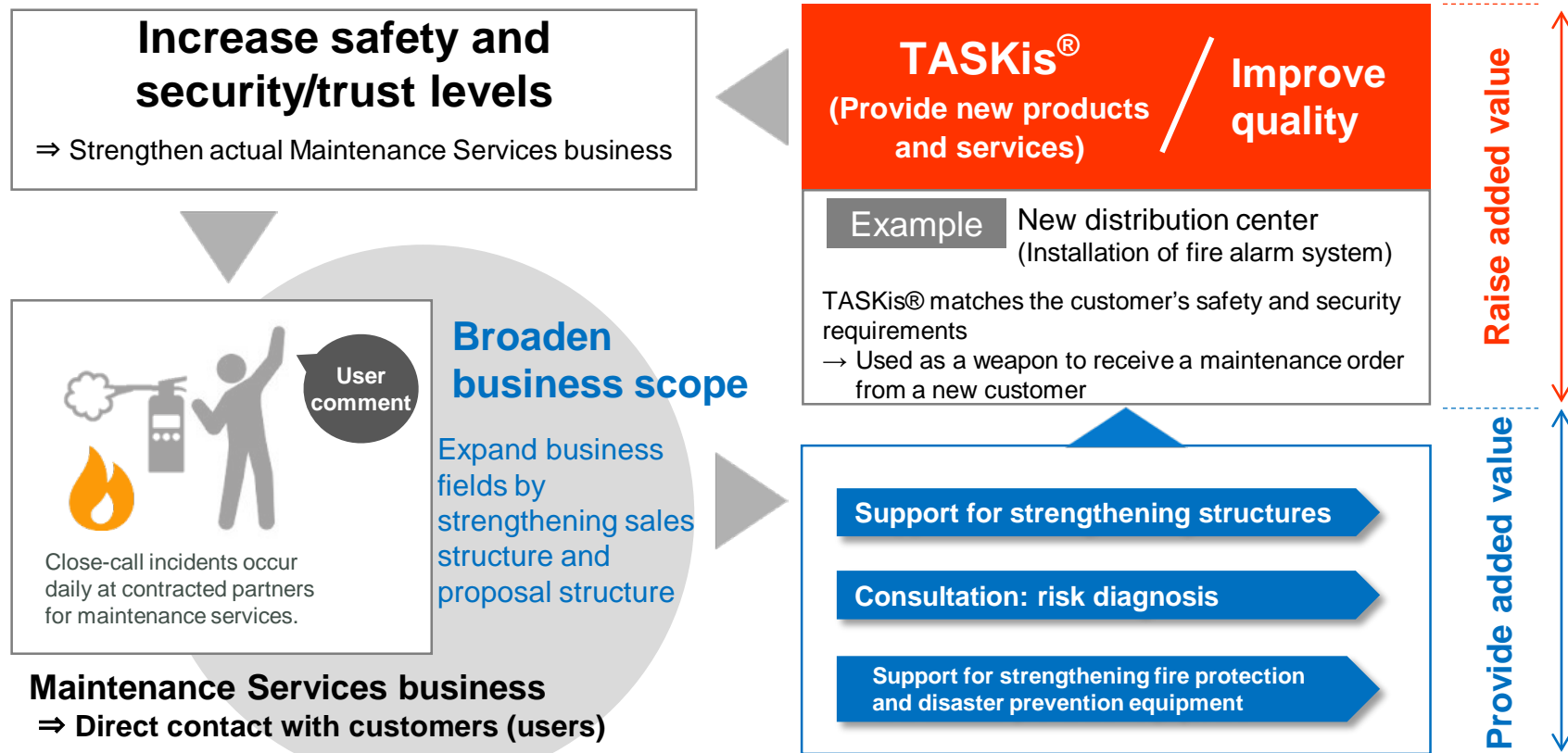


Adds new value with respect to software
(creation of an infrastructure)

Customers' needs are shifting from detection to prevention

Example of business domain expansion ∼TASKis®∼

New TASKis® activities for safety and security



Strengthen Overseas Operations (1)

Provide high value-added service that includes after service

China

Expand sales targets
Review manufacturing strategy

India

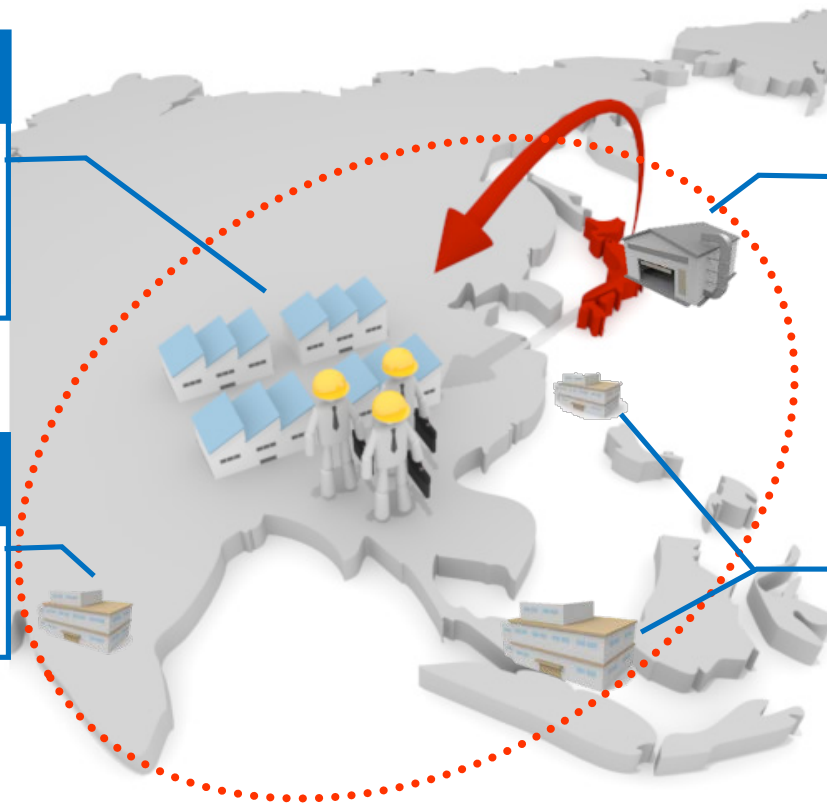
Reconstruct business strategy

Japan

Strengthen back office functions
Strengthen manufacturing back-up functions
Recruit global human resources
Assess M&A and business cooperation opportunities with other firms

S.E. Asia and Taiwan

Sales network strategy
Agency strategies
Review of product lineup



Strengthen Overseas Operations (2)

Progress and upcoming actions

Priority regions

China

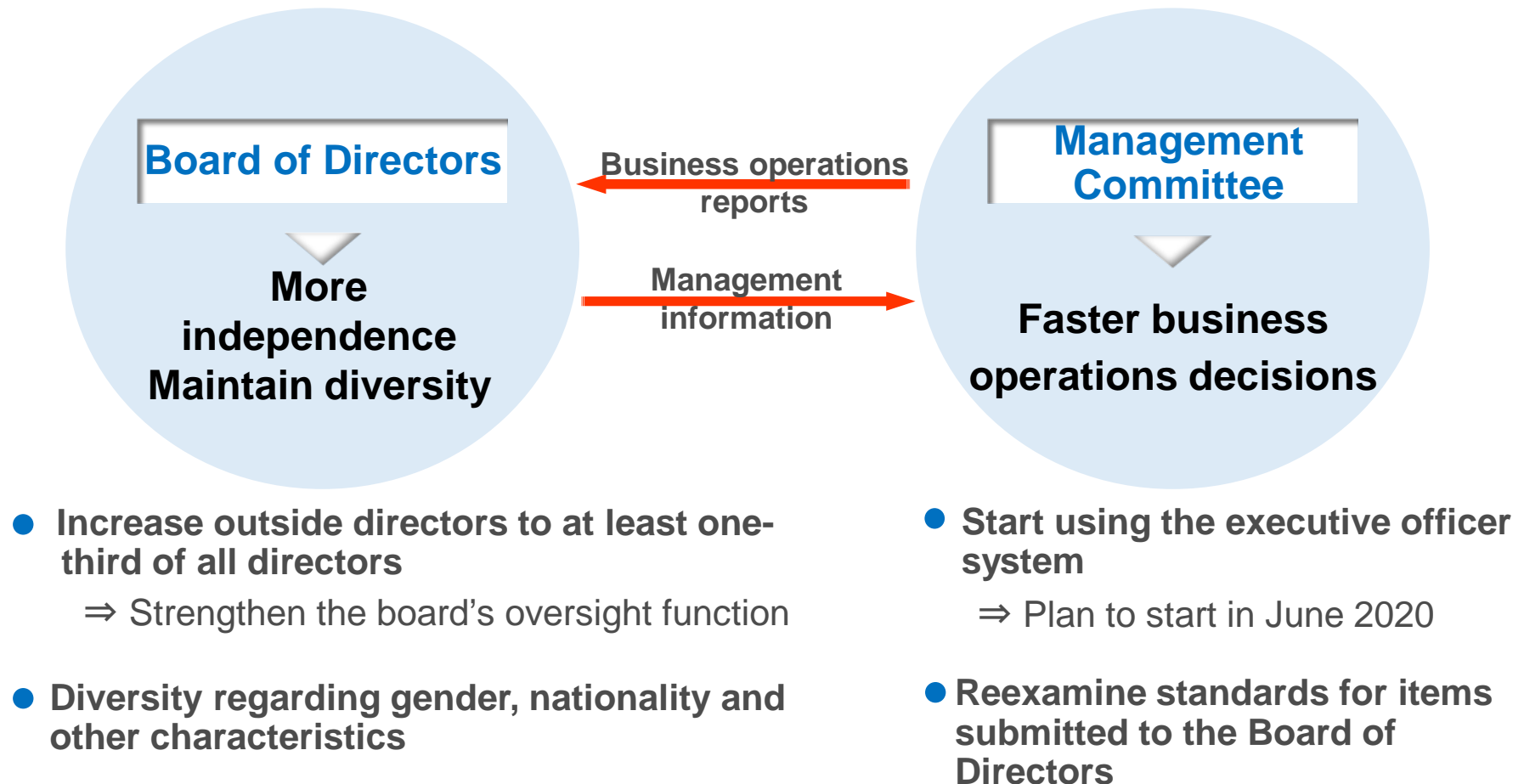
- Continue expanding the network of distributors

Southeast Asia

- Three new exclusive distributors
⇒ Continue increasing the number of distributors
- Shifting production from the Shanghai factory to SE Asia
⇒ Continue to strengthen ties between manufacturing in Japan and other countries
- Started selling a new fire alarm system for midsize buildings
＜Integlex Multicrest fire alarm system N765＞
(easier to use and install than the previous Nohmi Bosai model)
⇒ Continue to increase sales



Management Structural Reforms (Stronger Corporate Governance)



IV. Reference

NOHMI

~ 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

Tatsunori Ito, Representative Director and President

Capital

13,302 million yen

As of March 31, 2020

Employees

2,524 (consolidated)

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

- ◎ 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.
- ◎ 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
- ◎ 1916 Teruichi Nohmi established "Nohmi Shokai"

Listing of stock

Establishment



R-26C



Nohmi Technorium Menuma



Menuma factory



R&D center Misato



Manual fire alarm box with ring-shaped location lamp



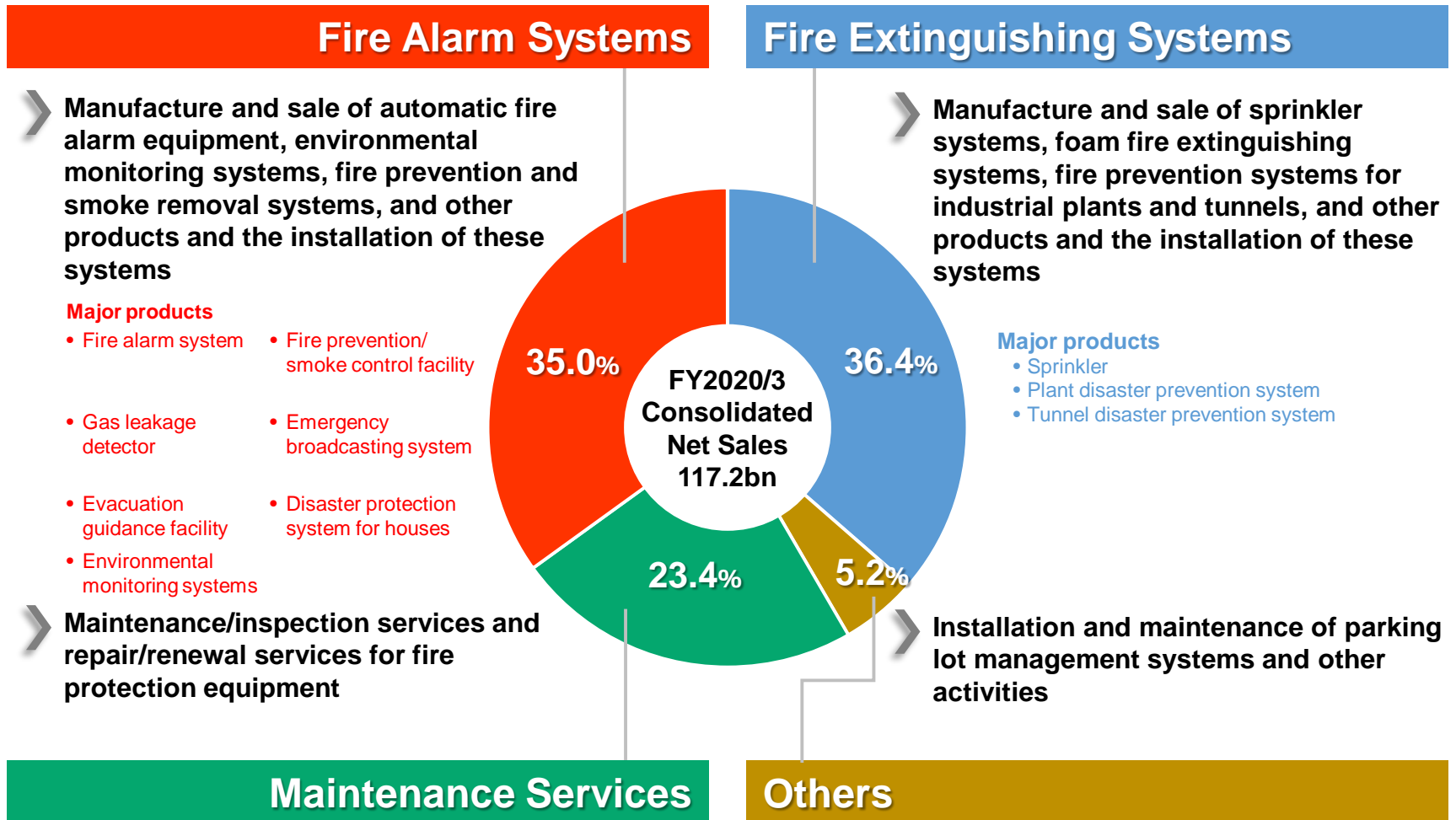
PROTECVIEW



Teruichi Nohmi

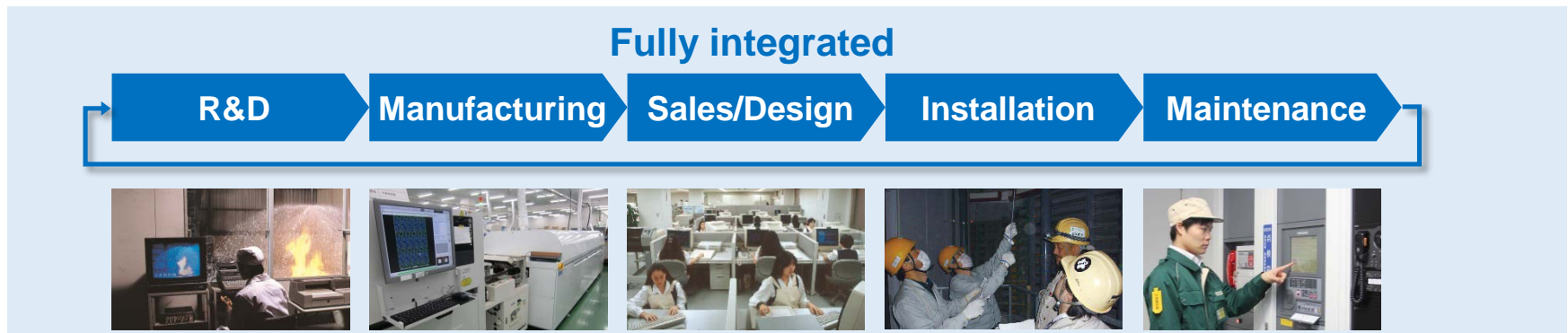


Oku-Goten in imperial palace completion ceremony



Comprehensive fire safety expertise

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



- **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

Rack warehouse
fire test



Automotive paint
booth fire test



Foam fire
extinguishing test



Smoke dispersion
test



Clean room
smoke test



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.