



Results for the First Half of FY2023/3

November 29, 2022

NOHMI BOSAI LTD. **NOHMI**

Shaping the Customers'
Expectations



transformation

I . Consolidated Results for the First Half of FY2023/3



New orders in the first half of the current fiscal year exceeded the record high in the same period of the previous fiscal year.

New orders remained firm overall.

New orders received in the first half of the fiscal year exceeded the record high in the previous year for the second straight year.

Net sales basically remained at the planned level.

There was a reactionary decrease in both net sales and income due to the concentration of projects with relatively high profitability in the same period of the previous fiscal year. Net sales remained basically at the planned level, offsetting delays in the progress of certain projects.

The decrease in income was more significant than planned.

The decrease in income was more significant than planned mainly due to delays in the progress of projects with high profitability and the impact of the constrained supply of components, in addition to a reaction to the concentration of projects in the same period of previous year.

Consolidated Results of Operation

(Million yen)

	1H FY2022/3		1H FY2023/3		Vs. 1H FY2022/3		Vs. Plan	
	Results	Plan	Results	Amount	Pct.	Amount	Pct.	
New orders	63,723	60,000	65,103	+1,380	+2.2%	+5,103	+8.5%	
Net sales	49,999	44,600	43,918	-6,081	-12.2%	-681	-1.5%	
Cost of sales	67.3%	68.9%	71.1%	+3.8pt	—	+2.2pt	—	
Gross profit	16,345	13,850	12,691	-3,653	-22.4%	-1,158	-8.4%	
SG&A expenses	11,706	12,450	12,201	+494	+4.2%	-248	-2.0%	
Operating income	4,639	1,400	490	-4,148	-89.4%	-909	-65.0%	
Operating margin	9.3%	3.1%	1.1%	-8.2pt	—	-2.0pt	—	
Ordinary income	4,898	1,500	684	-4,213	-86.0%	-815	-54.3%	
Net income attributable to owners of parent	3,373	950	406	-2,967	-88.0%	-543	-57.2%	
EPS (yen)	55.94	15.75	6.74					

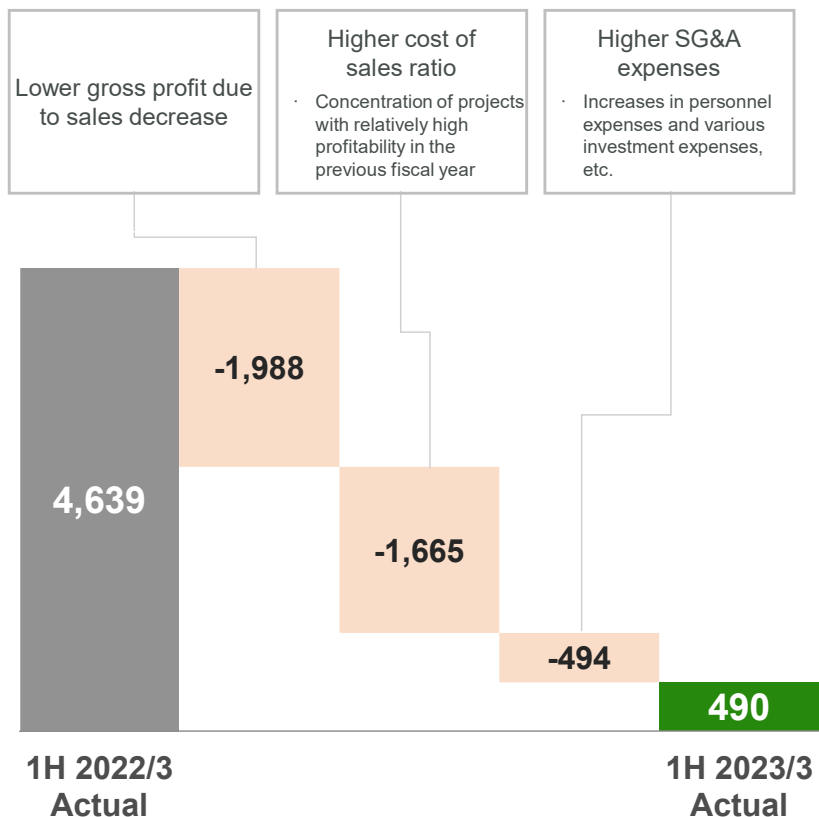
Consolidated Results by Segments

(Million yen)

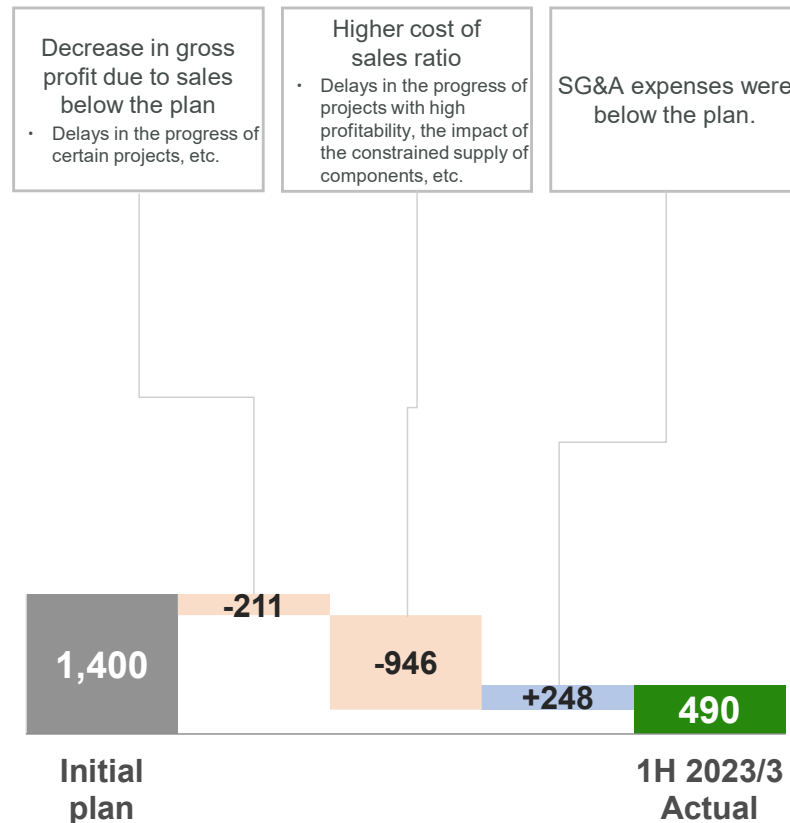
		1H FY2022/3	1H FY2023/3	Vs. 1H FY2022/3	
		Results	Results	Amount	Pct.
Fire Alarm Systems	Net sales	19,000	15,914	-3,085	-16.2%
	Operating income	4,083	1,130	-2,953	-72.3%
	Operating margin	21.5%	7.1%	-14.4pt	—
Fire Extinguishing Systems	Net sales	17,156	14,277	-2,878	-16.8%
	Operating income	2,279	1,365	-913	-40.1%
	Operating margin	13.3%	9.6%	-3.7pt	—
Maintenance Services	Net sales	11,616	11,510	-106	-0.9%
	Operating income	1,836	1,635	-200	-10.9%
	Operating margin	15.8%	14.2%	-1.6pt	—
Others	Net sales	2,377	2,362	-15	-0.6%
	Operating income	-36	105	+141	—
	Operating margin	-1.5%	4.4%	+5.9pt	—
Elimination/ Corporate	Net sales	-151	-146	+5	—
	Operating income	-3,523	-3,746	-222	—
Consolidated	Net sales	49,999	43,918	-6,081	-12.2%
	Operating income	4,639	490	-4,148	-89.4%

Analysis of Change in Operating Income

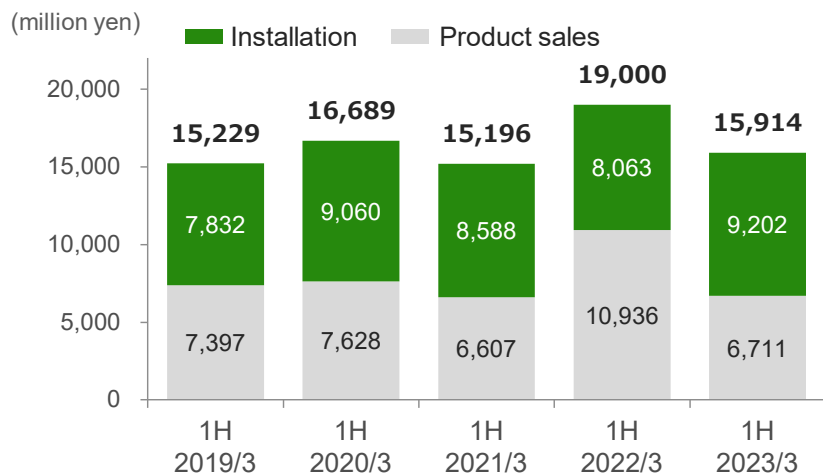
Vs. 1H FY2022/3 (million yen)



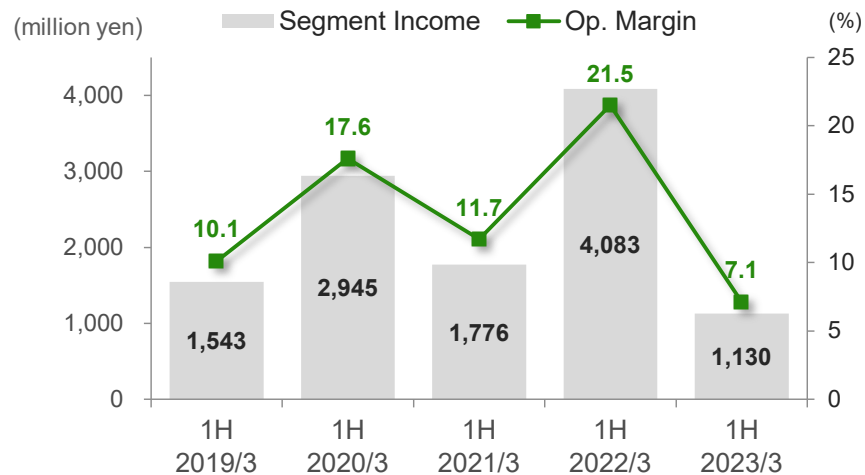
Vs. Plan (million yen)



Net Sales (before elimination)



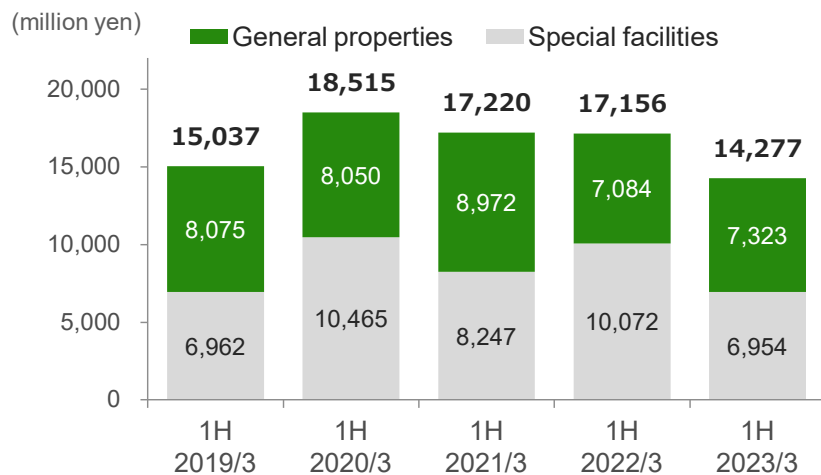
Segment Income & Operating Margin



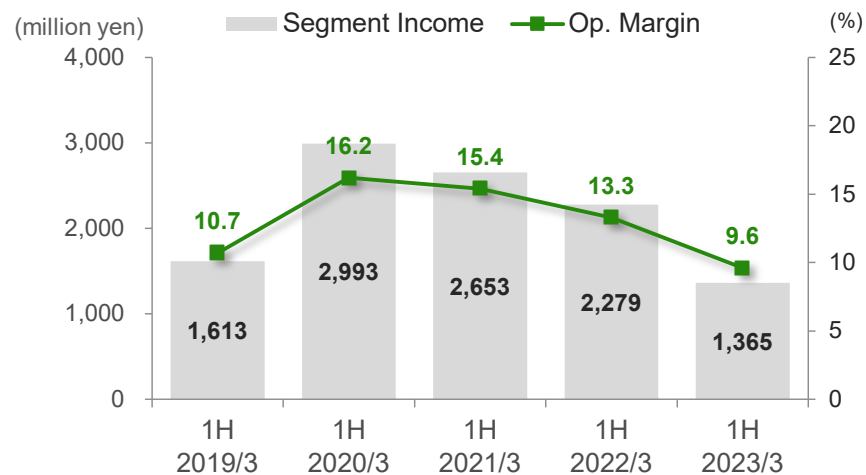
(million yen)	1H 2022/3 Actual	1H 2023/3 Actual	YoY (%)
New orders	24,091	21,824	-9.4
Backlog of orders	14,534	18,488	+27.2
Net sales	19,000	15,914	-16.2
Installation	8,063	9,202	+14.1
Product sales	10,936	6,711	-38.6
Segment Income	4,083	1,130	-72.3

- There was a reactionary decrease in both net sales and segment income due to the concentration of projects with relatively high profitability in the same period of the previous fiscal year.
- The decrease in segment income was more significant than projected mainly due to the impact of the constrained supply of components.
- Reflecting the solid order environment, the backlog of orders was at high levels.

Net Sales (before elimination)



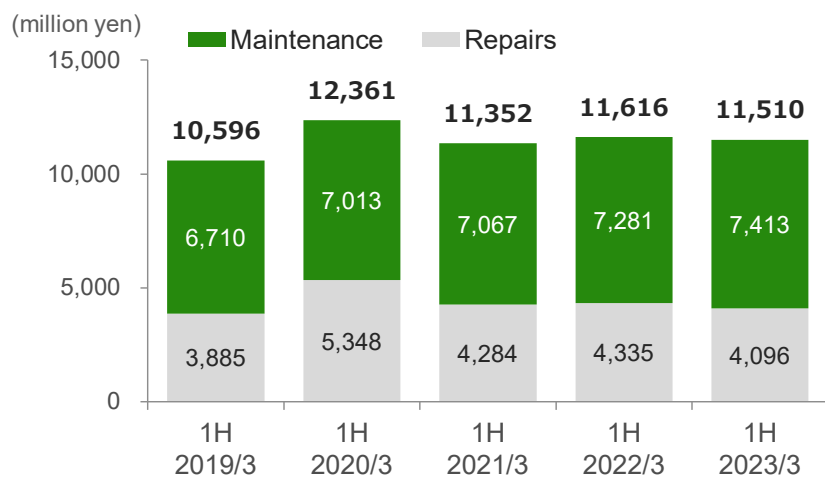
Segment Income & Operating Margin



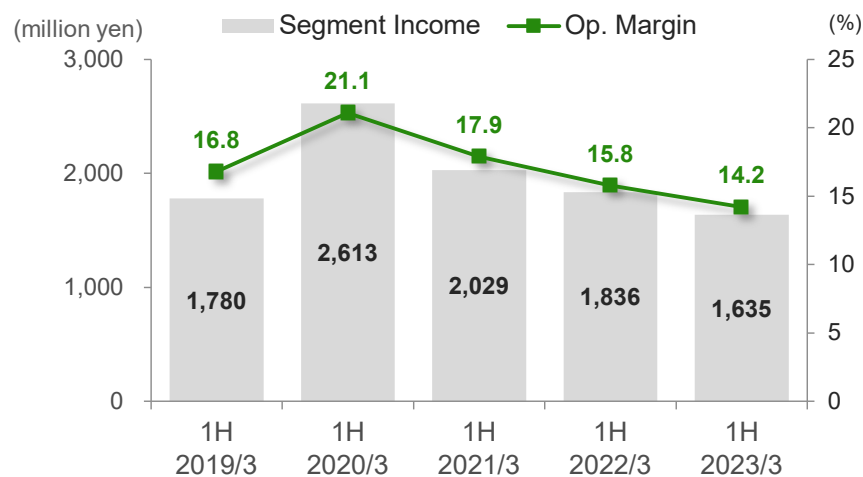
(million yen)	1H 2022/3 Actual	1H 2023/3 Actual	YoY (%)
New orders	18,820	20,676	+9.9
Backlog of orders	40,262	38,503	-4.4
Net sales	17,156	14,277	-16.8
General properties	7,084	7,323	+3.4
Special facilities	10,072	6,954	-31.0
Segment Income	2,279	1,365	-40.1

- Net sales and segment income decreased, mainly reflecting the background situation where the backlog of orders at the beginning of the fiscal year was approximately 20% lower than the previous year.
- The number of projects with relatively high profitability was smaller than expected due to delays in the progress of certain projects.
- New orders were brisk.

Net Sales (before elimination)



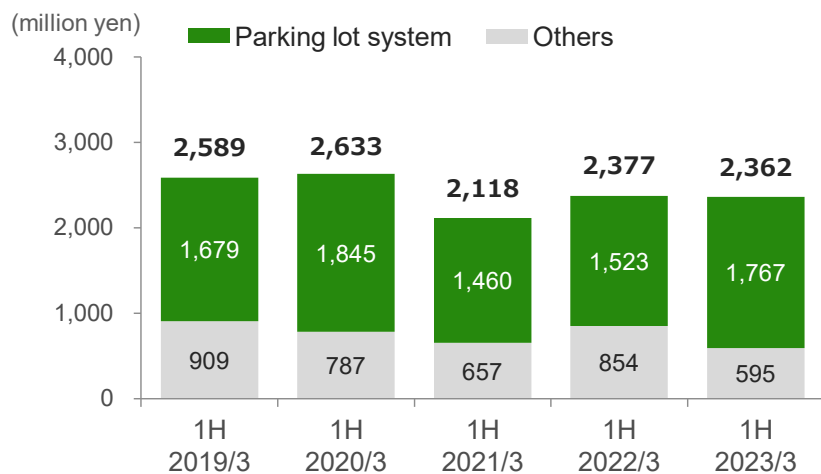
Segment Income & Operating Margin



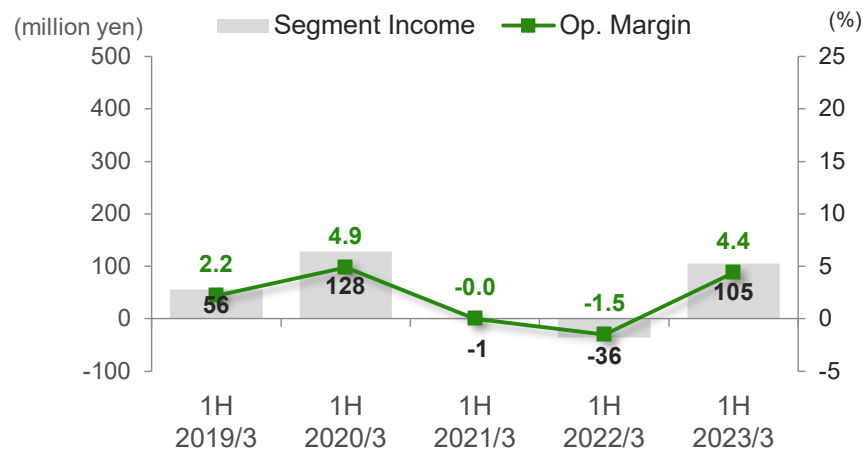
(million yen)	1H 2022/3 Actual	1H 2023/3 Actual	YoY (%)
New orders	18,318	20,128	+9.9
Backlog of orders	10,298	12,983	+26.1
Net sales	11,616	11,510	-0.9
Maintenance	7,281	7,413	+1.8
Repairs	4,335	4,096	-5.5
Segment Income	1,836	1,635	-10.9

- Net sales were stable and most remained unchanged from the previous year.
- Both net sales and segment income fell short of the plan mainly due to delays in the progress of certain projects.
- Both new orders and the backlog of orders remained at high levels.

Net Sales (before elimination)



Segment Income & Operating Margin



(million yen)	1H 2022/3 Actual	1H 2023/3 Actual	YoY (%)
New orders	2,492	2,473	-0.7
Backlog of orders	998	1,614	+61.7
Net sales	2,377	2,362	-0.6
Parking lot system	1,523	1,767	+16.0
Others	854	595	-30.3
Segment Income	-36	105	—

- Reflecting the recovery from the sluggish conditions attributable to the COVID-19 pandemic, segment income increased, however, new orders and net sales remained almost unchanged from the previous year.

Shaping the Customers'
Expectations



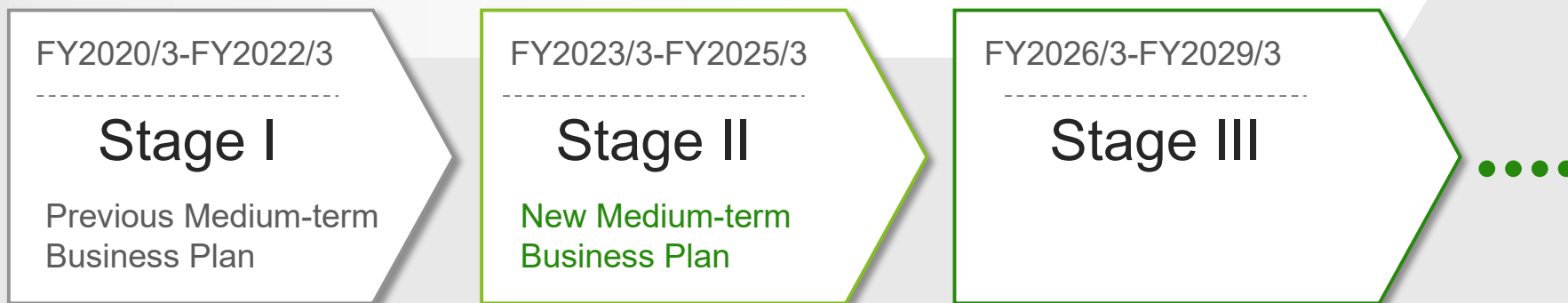
transformation

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)

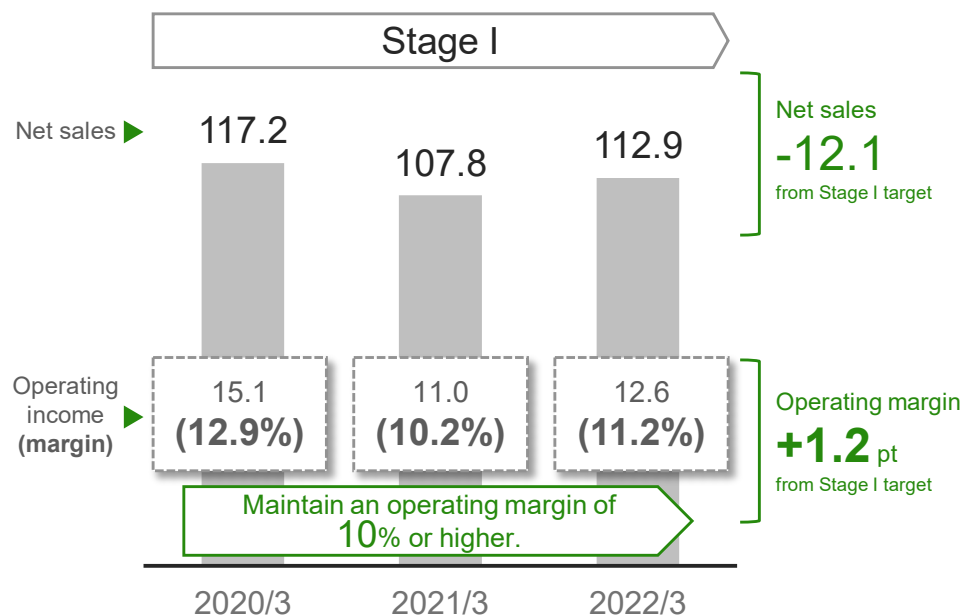
Toward Dramatic Growth Based on Strong “On-site Capabilities”

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)



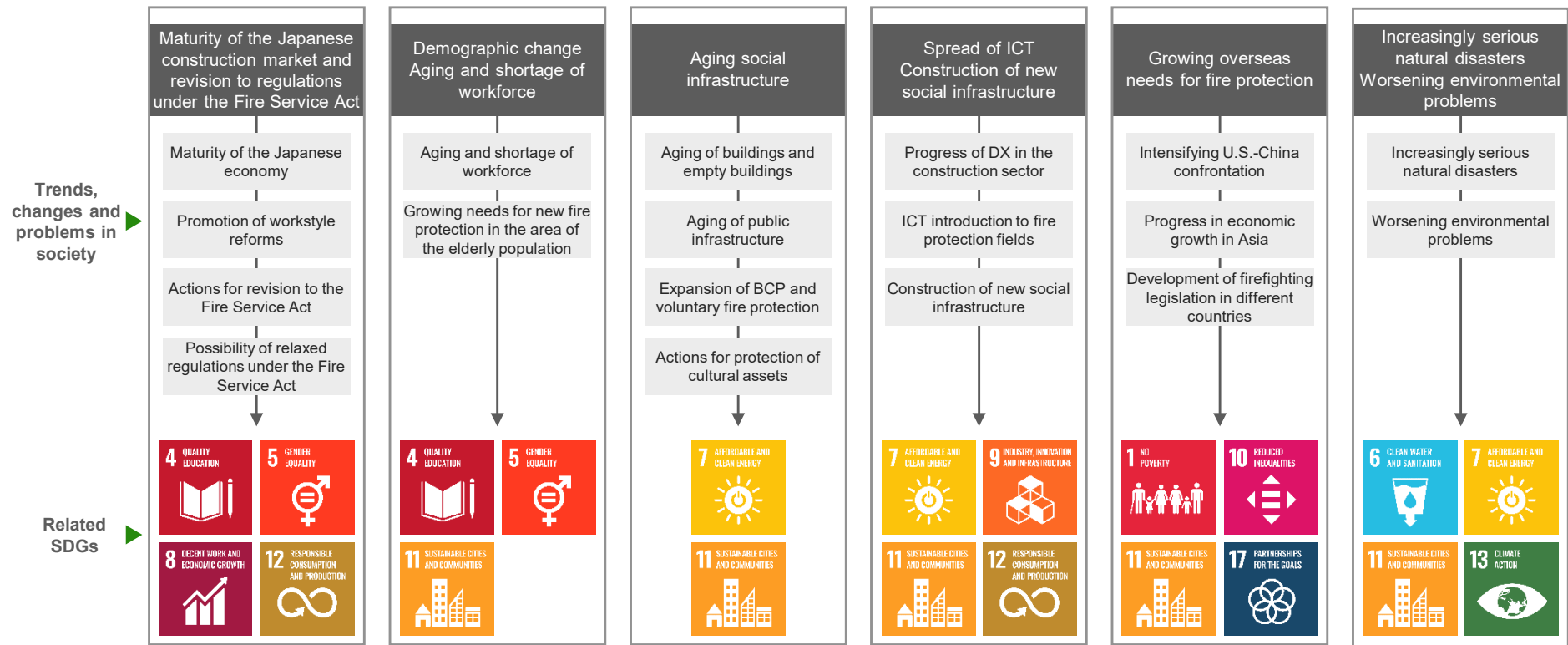
Successfully done

- 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



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

Desired society
↑
Nohmi Bosai's aspirations

- 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.



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. 23

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. 24

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

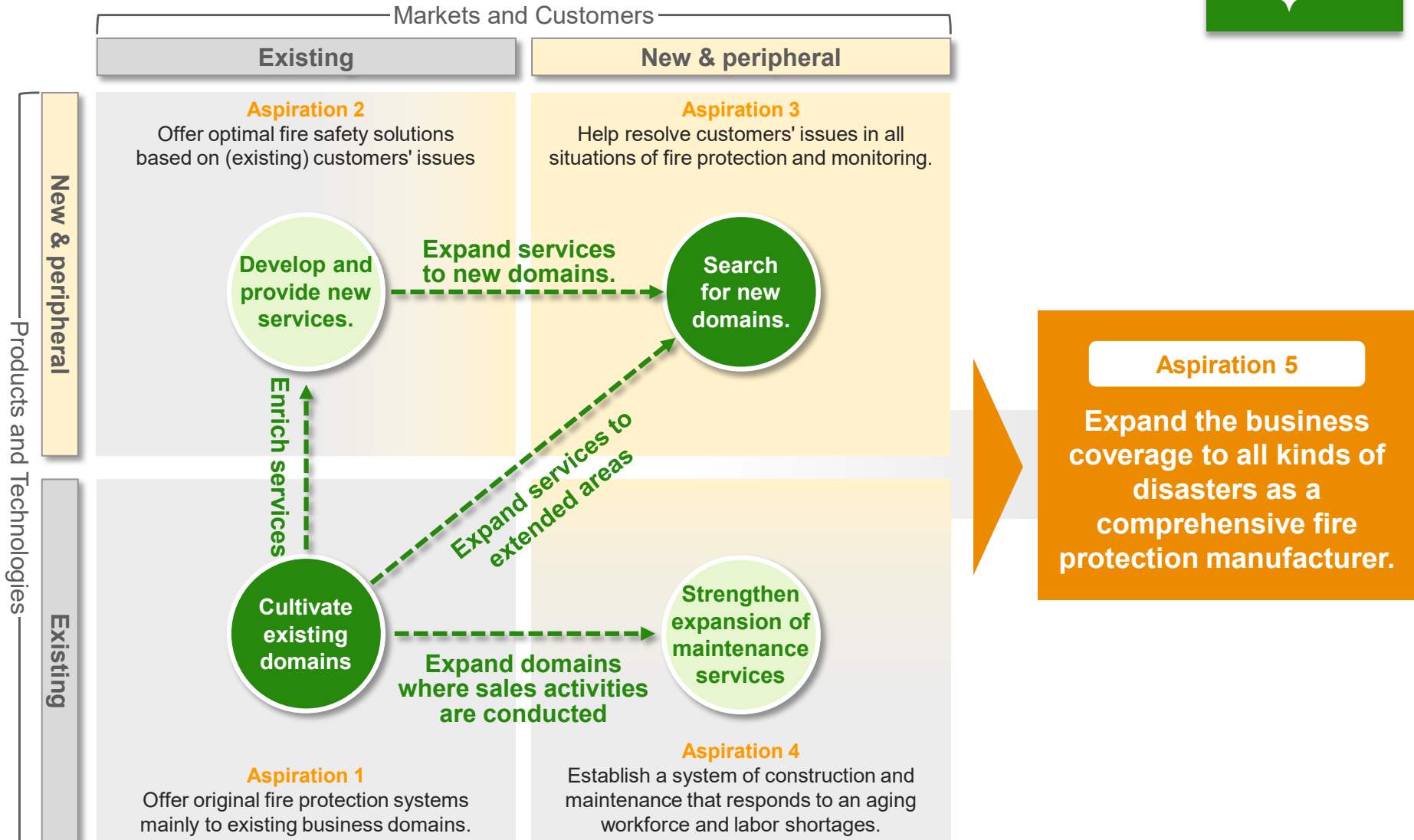
Move proactively



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.

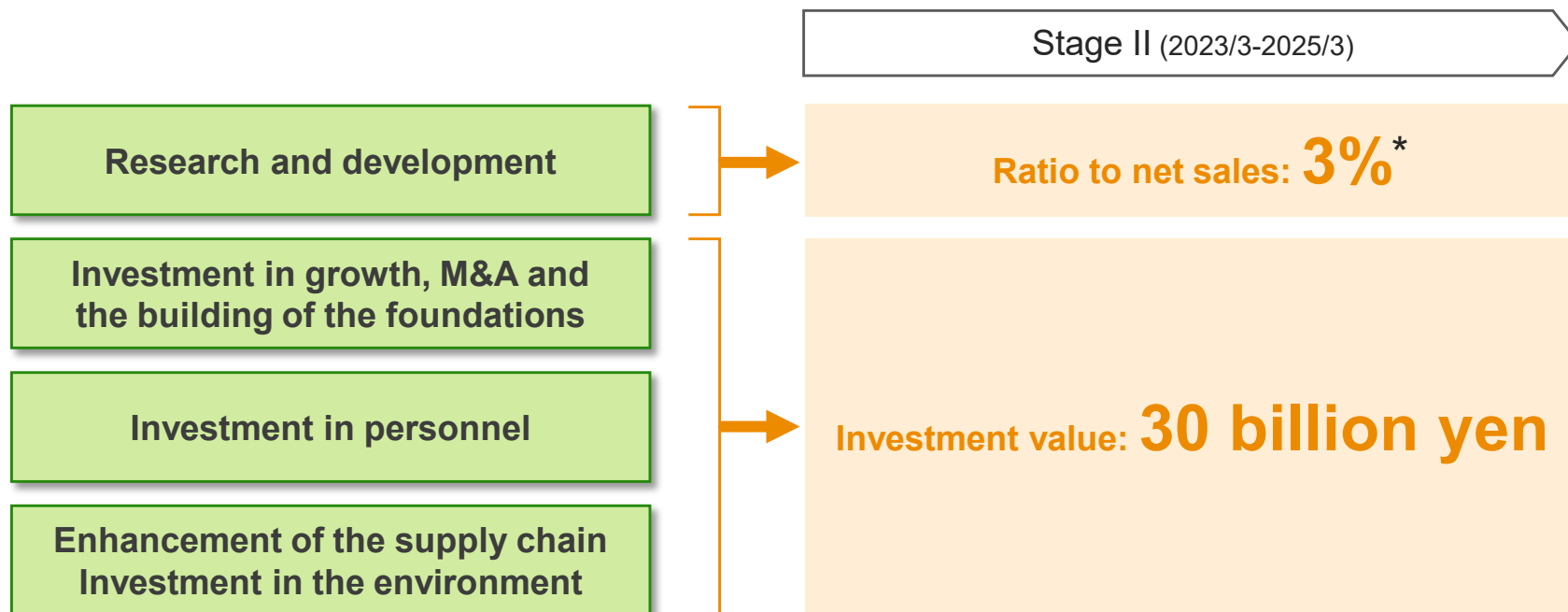
Diversity

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

Reference: Rebuilding of the Mitaka Factory



<Overview>

- Launch of operations: June 2022
- Number of buildings: 1
- Number of floors: 4
- Site area: Approx. 4,968 m² (increased to approximately three times the area of the previous factory)
- Total floor area: Approx. 10,363 m² (increased to approximately five times the area of the previous factory)

Towards the improvement of productivity



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

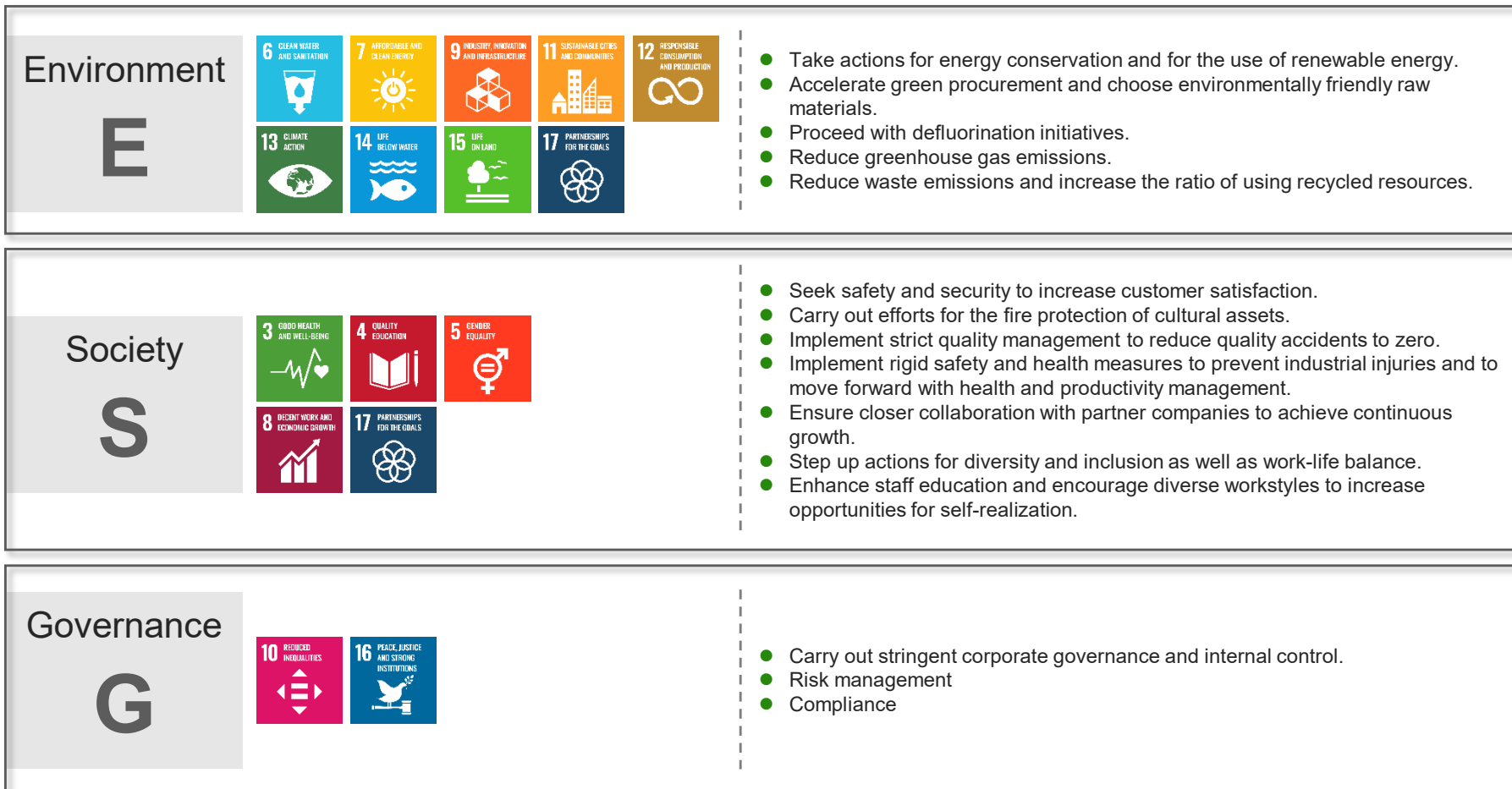
- e.g. Shift to paperless operation across the company

⇒ 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

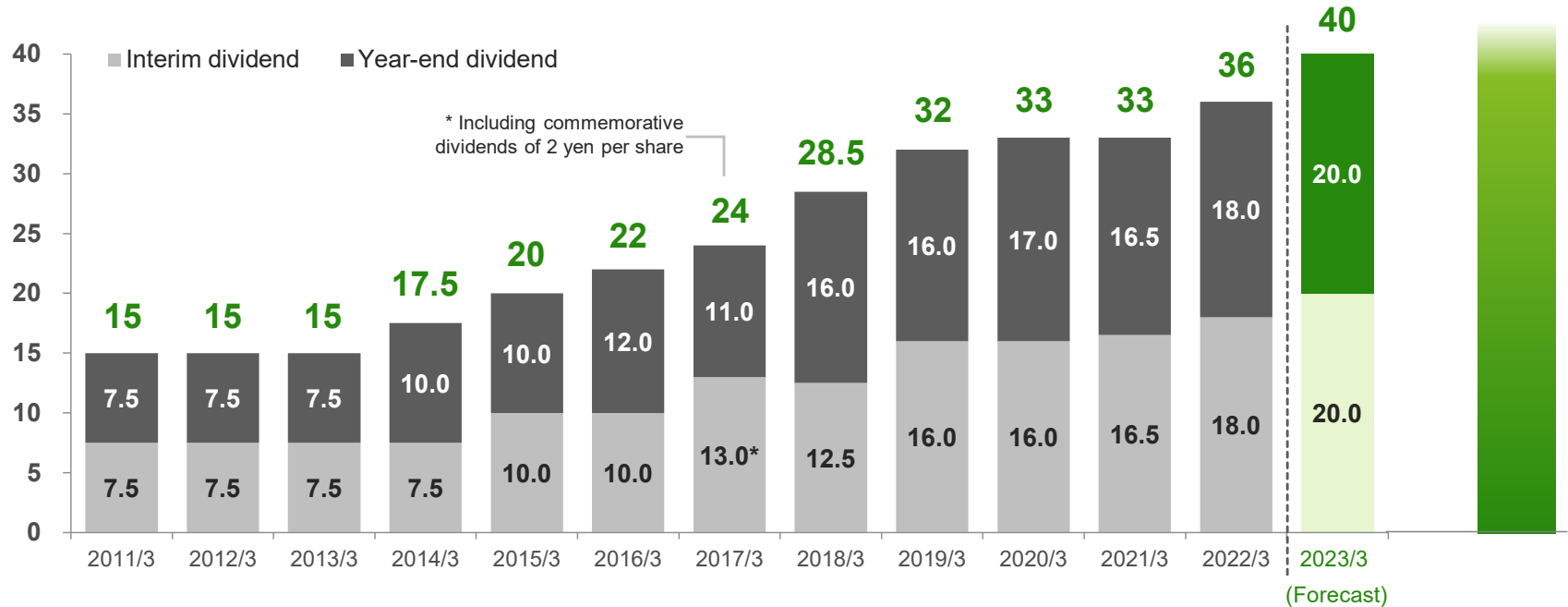
Setting a consolidated payout target of 40% by FY2025/3 in the Stage II period, we will aim to stably and continuously enrich shareholder returns.

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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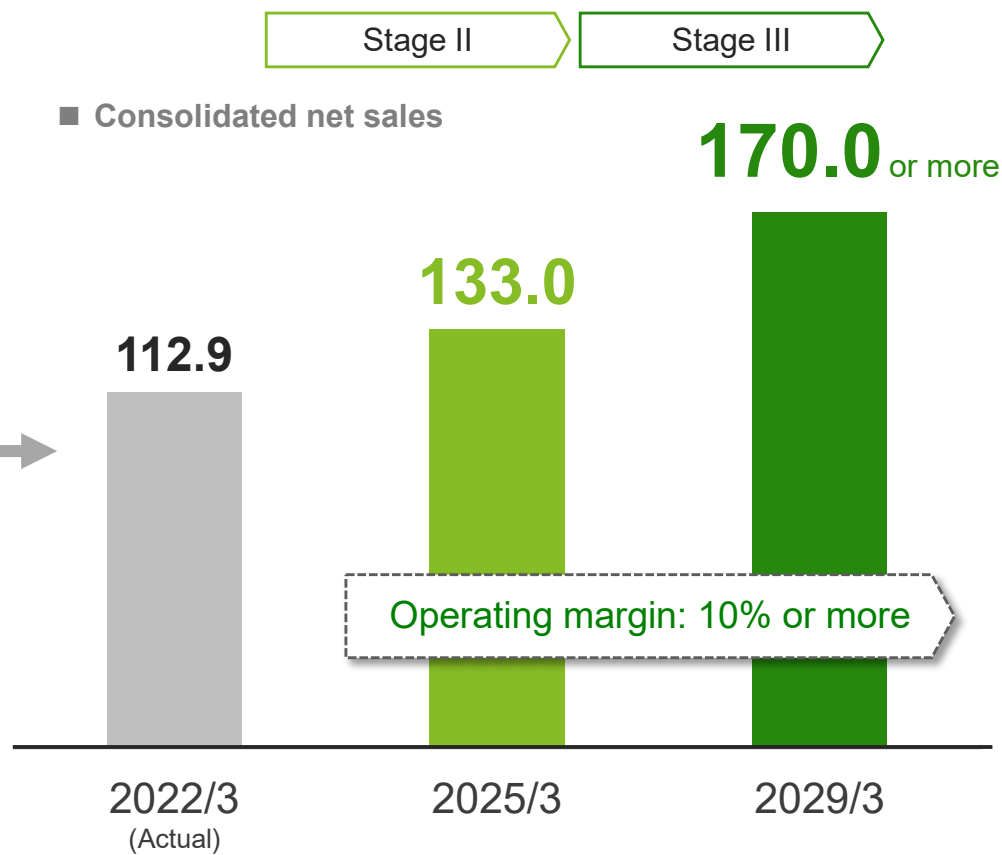
Numerical Targets

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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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	118.54		
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.

Maintaining the initial forecasts supported by the record high backlog of orders.

Net sales and income for the first half were lower than planned, but the backlog of orders at the end of the first half of the current fiscal year increased to a record high for a backlog of orders at the end of the same period of a fiscal year.

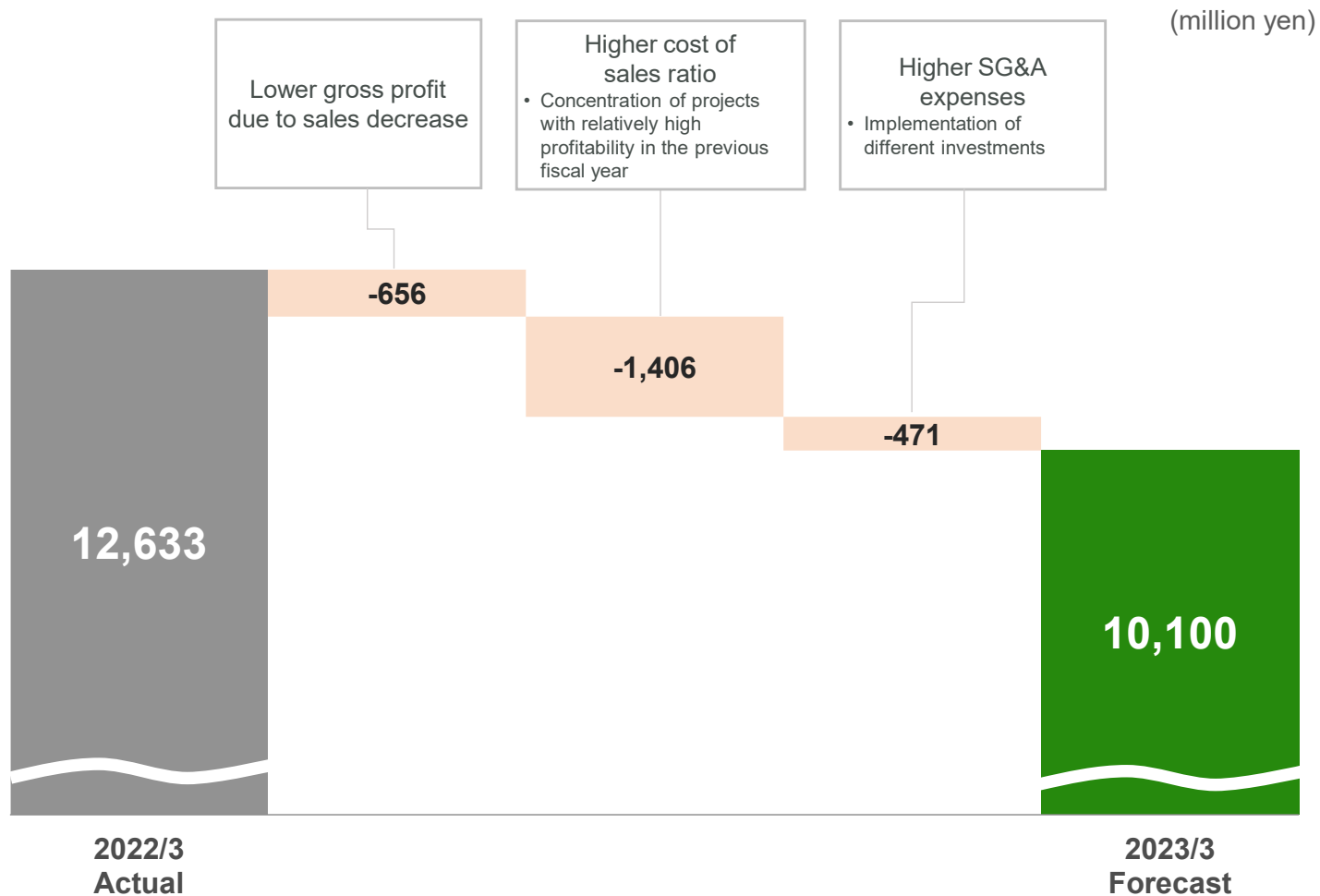
Forecast for FY2023/3 by Segments

(Million yen)

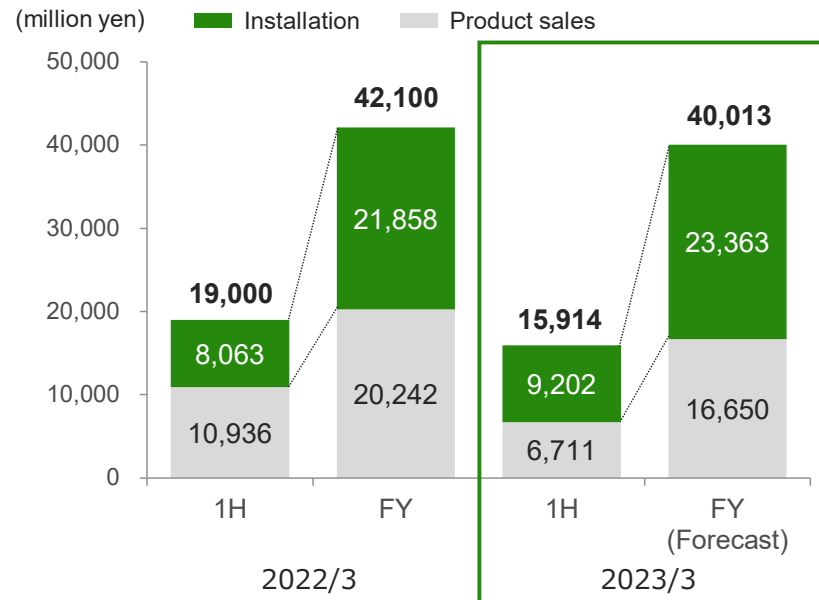
		FY2022/3	FY2023/3	Vs. FY2022/3	
		Actual	Forecast	Amount	Pct.
Fire Alarm Systems	Net sales	42,100	40,013	-2,086	-5.0%
	Operating income	8,617	6,707	-1,910	-22.2%
	Operating margin	20.5%	16.8%	-3.7pt	—
Fire Extinguishing Systems	Net sales	39,715	37,618	-2,097	-5.3%
	Operating income	7,197	5,837	-1,359	-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

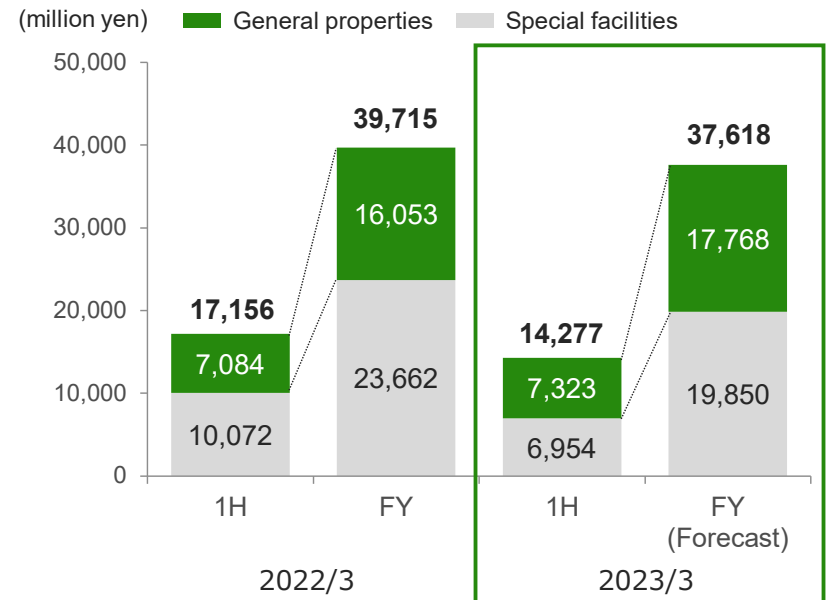


Fire Alarm Systems



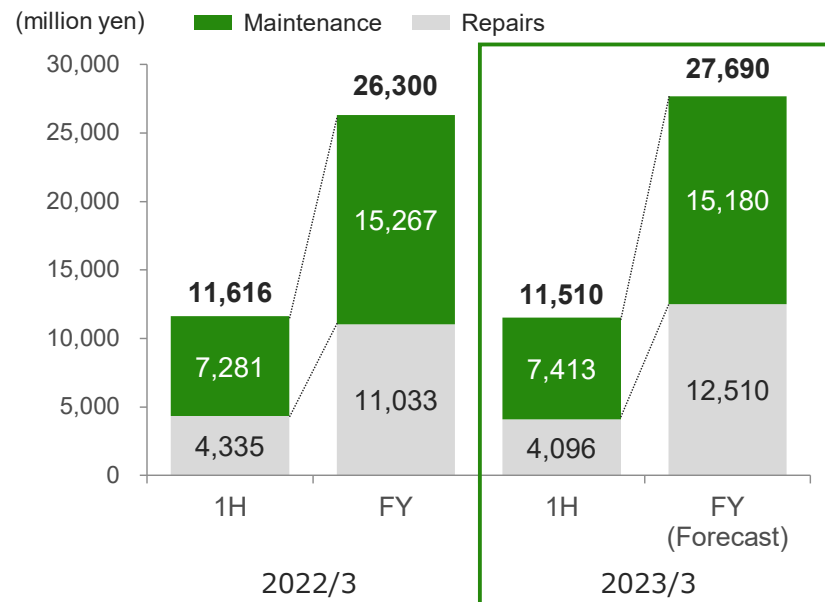
- Net sales are expected to slide, due chiefly to a concentration of large projects in the previous fiscal year.

Fire Extinguishing Systems



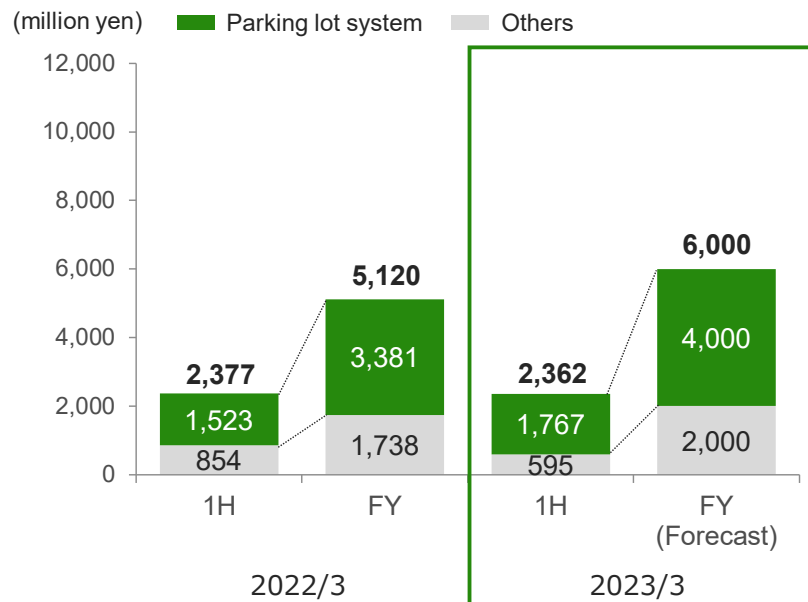
- Net sales are expected to tumble given decrease in large projects. We will endeavor to secure orders for increasing sales for the next fiscal year.

Maintenance Services



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

Others



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

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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)
 - 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.
- **Business** 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-Tenosan 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



Fire Alarm Systems

Manufacture and sale of automatic fire alarm equipment, environmental monitoring systems, fire prevention and smoke removal systems, and other products and the installation of these systems

Major products

- Fire alarm system
- Gas leakage detector
- Evacuation guidance facility
- Environmental monitoring systems
- Fire prevention/smoke control facility
- Emergency broadcasting system
- Disaster protection system for houses

Maintenance/inspection services and repair/renewal services for fire protection equipment

Maintenance Services

Fire Extinguishing Systems

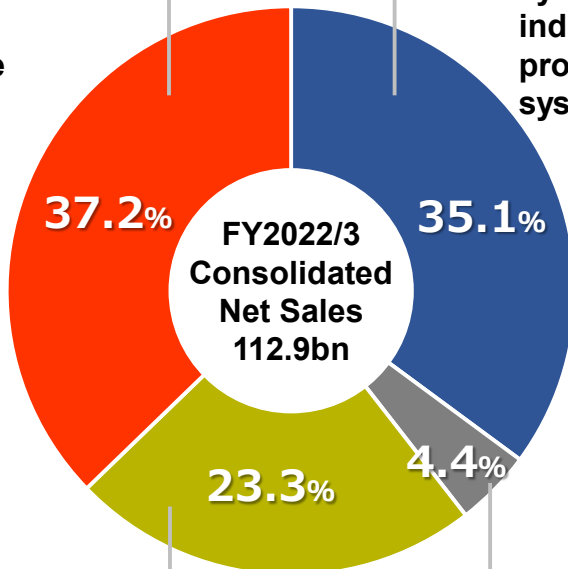
Manufacture and sale of sprinkler systems, foam fire extinguishing systems, fire prevention systems for industrial plants and tunnels, and other products and the installation of these systems

Major products

- Sprinkler
- Plant disaster prevention system
- Tunnel disaster prevention system

Installation and maintenance of parking lot management systems and other activities

Others

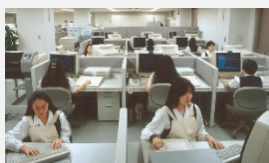




Comprehensive fire safety expertise

- 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.