

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



FY2021/3 Results of Operations

May 25, 2021

NOHMI BOSAI LTD.



I . Consolidated Results FY2021/3



Record-high orders

Orders climbed to a new record due to the strong performance of the fire extinguishing systems segment despite restrictions on some business activities due to COVID-19.

The initial forecasts for sales and earnings were achieved

The initial sales and earnings forecasts were achieved as business operations continued along with COVID-19 safety measures.

Priority on public safety even during the state of emergency

For public safety, business operations focused on providing reliable fire protection systems.

All business activities were accompanied by COVID-19 safety measures in compliance with government policies.

Consolidated Results of Operation

(Million yen)

	FY2020/3	FY2021/3		Vs. FY2020/3		Vs. Plan	
	Results	Plan	Results	Amount	Pct.	Amount	Pct.
New orders	111,872	105,000	113,308	+1,436	+1.3%	+8,308	+7.9%
Net sales	117,294	107,000	107,897	-9,396	-8.0%	+897	+0.8%
Cost of sales	66.5%	67.9%	67.4%	+0.9pt	—	-0.5pt	—
Gross profit	39,305	34,400	35,127	-4,178	-10.6%	+727	+2.1%
SG&A expenses	24,165	23,400	24,073	-92	-0.4%	+673	+2.9%
Operating income	15,139	11,000	11,053	-4,085	-27.0%	+53	+0.5%
Operating margin	12.9%	10.3%	10.2%	-2.7pt	—	-0.1pt	—
Ordinary income	15,448	11,200	11,494	-3,953	-25.6%	+294	+2.6%
Net income attributable to owners of parent	10,516	7,450	7,620	-2,895	-27.5%	+170	+2.3%
EPS (yen)	174.41	123.55	126.38				
ROE	11.4%	7.7%	7.7%				

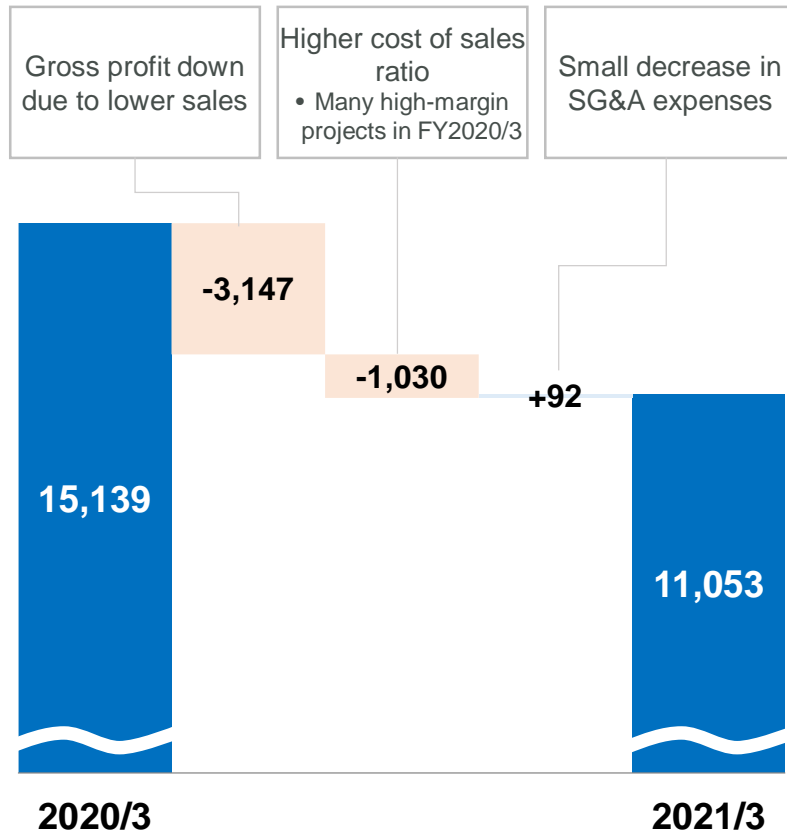
Consolidated Results by Segments

(Million yen)

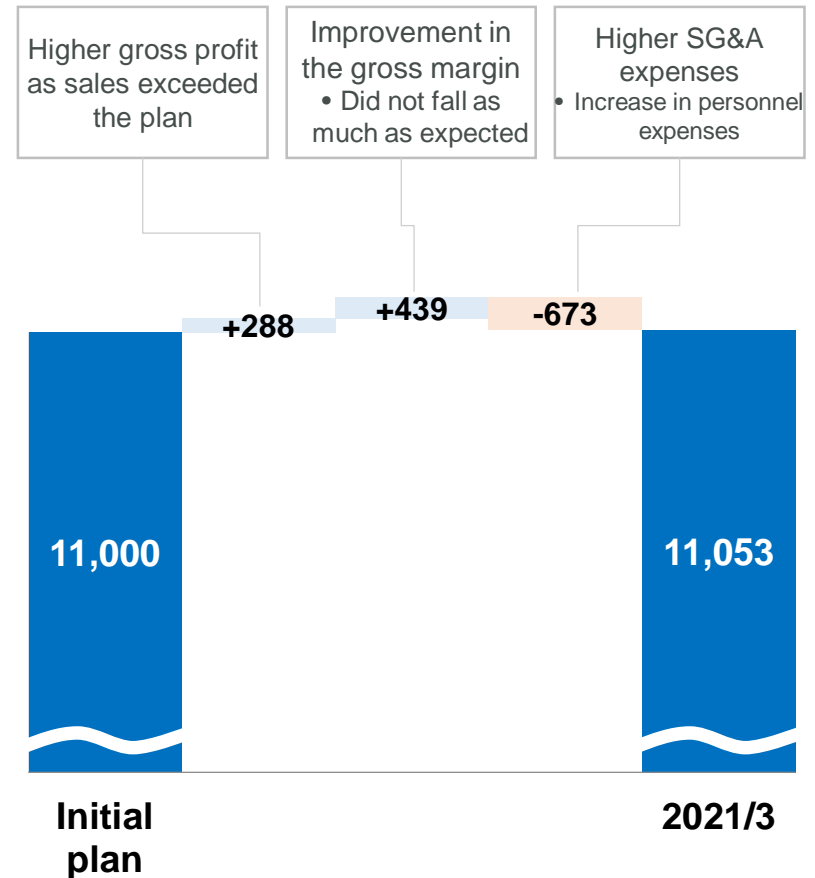
		FY2020/3	FY2021/3		Vs. FY2020/3	Vs. Plan
		Results	Plan	Results	Amount	Amount
Fire Alarm Systems	Net sales	41,108	37,652	38,039	-3,068	+387
	Operating income	7,672	6,469	5,979	-1,693	-490
	Operating margin	18.7%	17.2%	15.7%	-3.0pt	-1.5pt
Fire Extinguishing Systems	Net sales	42,805	39,059	38,481	-4,323	-577
	Operating income	7,984	6,313	6,568	-1,415	+254
	Operating margin	18.7%	16.2%	17.1%	-1.6pt	+0.9pt
Maintenance Services	Net sales	27,482	25,320	26,688	-794	+1,367
	Operating income	6,162	4,957	5,392	-769	+435
	Operating margin	22.4%	19.6%	20.2%	-2.2pt	+0.6pt
Others	Net sales	6,272	5,341	5,038	-1,233	-302
	Operating income	490	297	253	-236	-43
	Operating margin	7.8%	5.6%	5.0%	-2.8pt	-0.6pt
Elimination/ Corporate	Net sales	-373	-373	-349	+23	+23
	Operating income	-7,168	-7,039	-7,140	+28	-101
Consolidated	Net sales	117,294	107,000	107,897	-9,396	+897
	Operating income	15,139	11,000	11,053	-4,085	+53

Analysis of Change in Operating Income

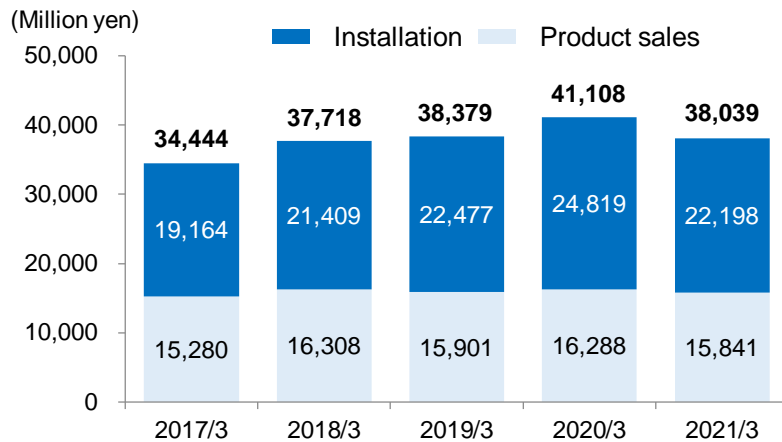
Vs. FY2020/3 (million yen)



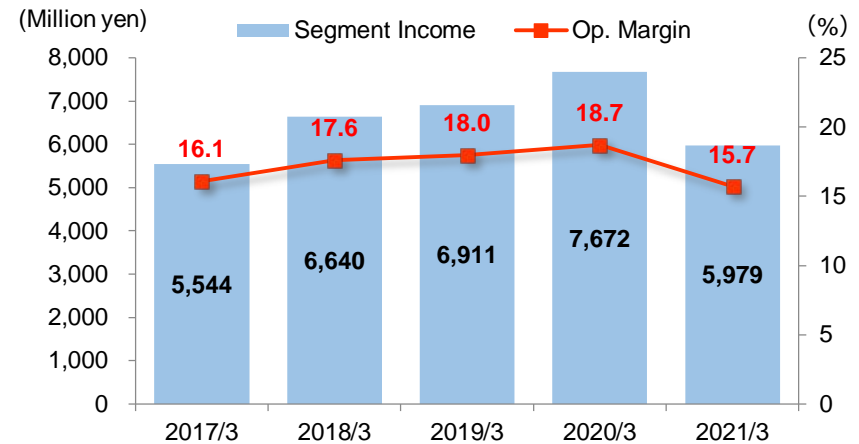
Vs. Plan (million yen)



Net Sales (before elimination)



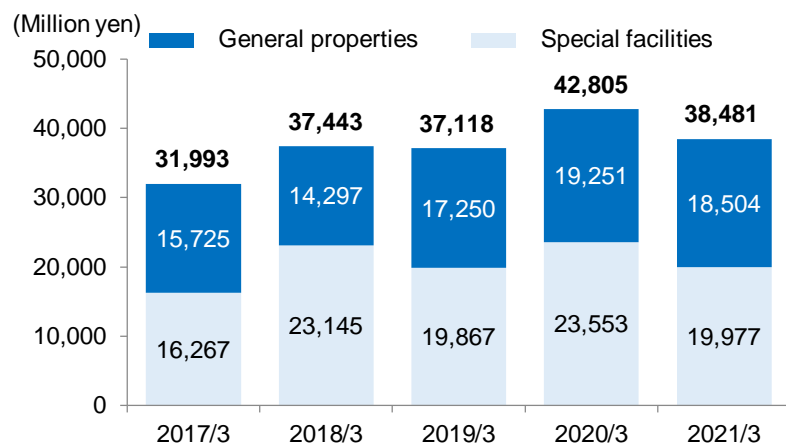
Segment Income & Operating Margin



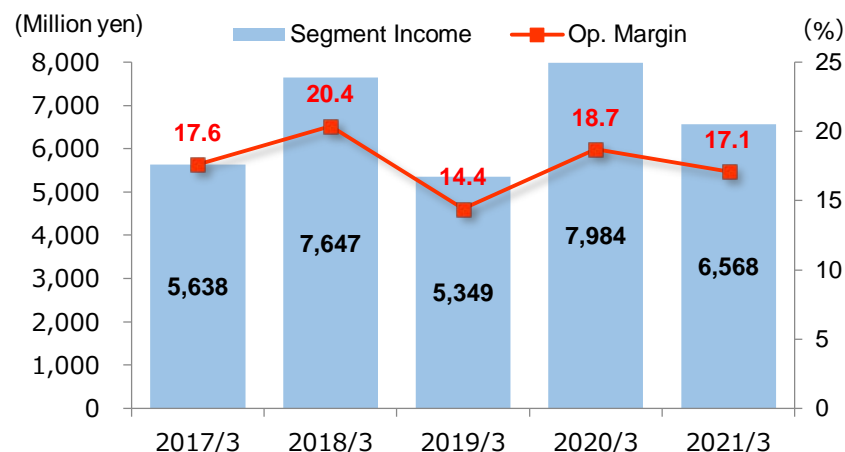
	2020/3	2021/3		Vs. 20/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	38,441	38,500	37,466	-2.5	-2.7
Backlog of orders	11,728	—	11,243	-4.1	—
Net sales	41,108	37,652	38,039	-7.5	+1.0
Installation	24,819	21,732	22,198	-10.6	+2.1
Product Sales	16,288	15,920	15,841	-2.7	-0.5
Segment income	7,672	6,469	5,979	-22.1	-7.6

- Orders were slightly below the plan and down from FY2020/3 as market conditions remained uncertain because of COVID-19.
- Sales decreased, mainly for installation work, but were higher than the plan.
- The operating margin decreased in part because of the large number of projects with relatively high margins in FY2020/3.

Net Sales (before elimination)



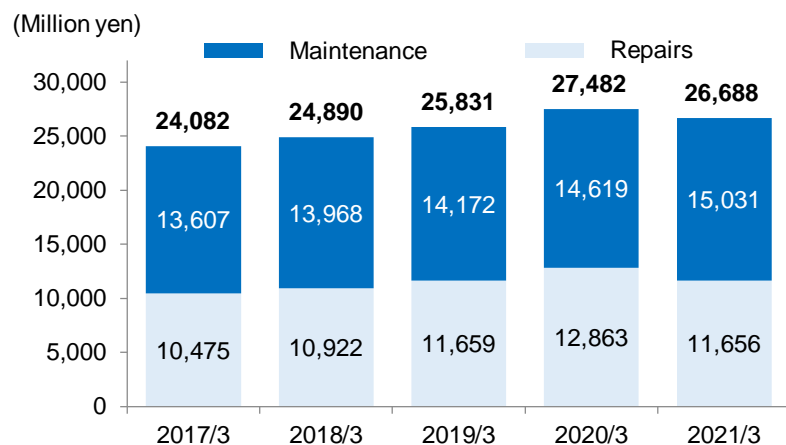
Segment Income & Operating Margin



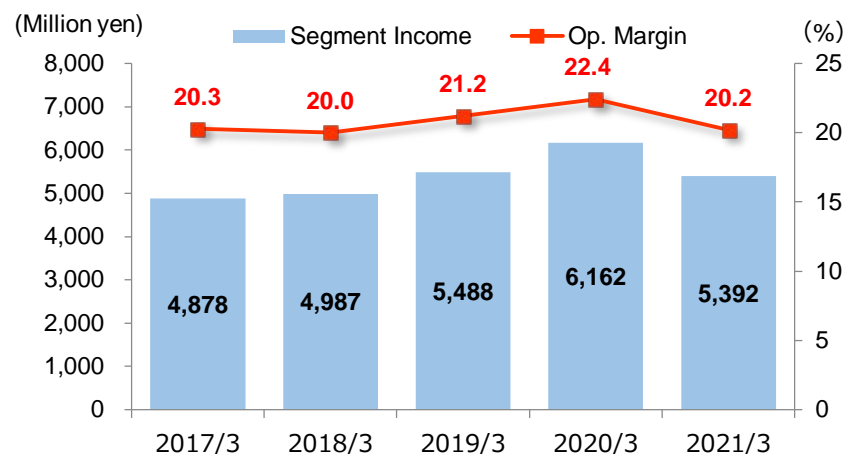
	2020/3	2021/3		Vs. 20/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	40,419	36,700	44,469	+10.0	+21.2
Backlog of orders	34,133	—	40,187	+17.7	—
Net sales	42,805	39,059	38,481	-10.1	-1.5
General properties	19,251	17,479	18,504	-3.9	+5.9
Special facilities	23,553	21,580	19,977	-15.2	-7.4
Segment income	7,984	6,313	6,568	-17.7	+4.0

- Orders increased 10% because the receipt of orders for large projects as well as orders involving cultural properties.
- Sales decreased 10% because FY2020/3 sales included the completions of many large projects for special facilities.
- The operating margin decreased because of the performance of individual projects.

Net Sales (before elimination)



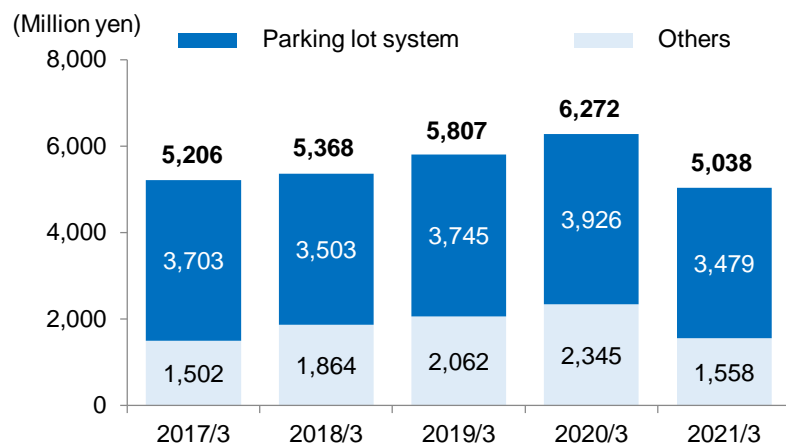
Segment Income & Operating Margin



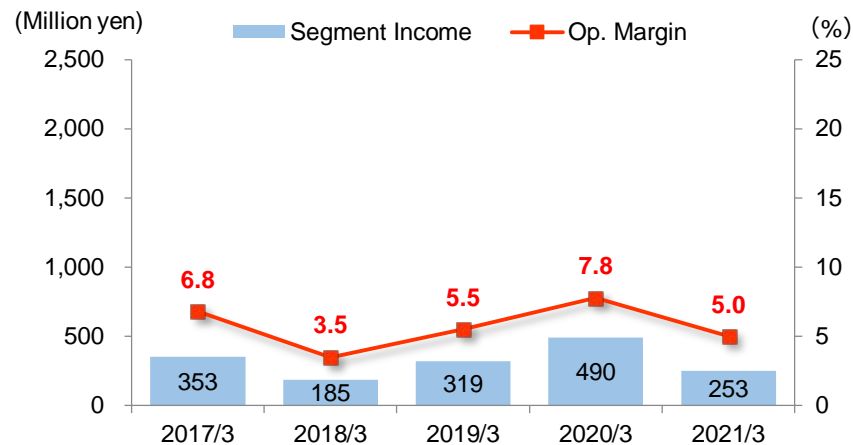
	2020/3	2021/3		Vs. 20/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	26,935	24,200	26,436	-1.9	+9.2
Backlog of orders	4,024	—	3,773	-6.2	—
Net sales	27,482	25,320	26,688	-2.9	+5.4
Maintenance	14,619	13,320	15,031	+2.8	+12.8
Repairs	12,863	12,000	11,656	-9.4	-2.9
Segment income	6,162	4,957	5,392	-12.5	+8.8

- Orders decreased because of COVID-19 but not as much as anticipated, resulting in orders that were higher than planned.
- Segment sales decreased but there were maintenance sales increased due to consistent sales activities for maintenance and inspection services.
- The operating margin decreased because of the large number of renovation projects in FY2020/3.

Net Sales (before elimination)



Segment Income & Operating Margin



	2020/3	2021/3		Vs. 20/3 (%)	Vs. Plan (%)
	Actual	Plan	Actual		
New orders	6,075	5,600	4,936	-18.8	-11.9
Backlog of orders	747	—	840	+12.5	—
Net sales	6,272	5,341	5,038	-19.7	-5.7
Parking lot system	3,926	3,570	3,479	-11.4	-2.5
Others	2,345	1,771	1,558	-33.5	-12.0
Segment income	490	297	253	-48.2	-14.6

- Orders, sales and earnings all decreased and were also below the plan.
- Sales of parking lot systems were impacted by the lower utilization rate of parking facilities in Japan as people stayed home for safety during the pandemic.

Ⅱ . Forecast for FY2022/3

NOHMI

Forecast for FY2022/3 (Consolidated)

(Million yen)

	FY2021/3	FY2022/3	Vs. FY2021/3	
	Actual	Forecast	Amount	Pct.
New orders	113,308	122,000	+8,691	+7.7%
Net sales	107,897	120,800	+12,902	+12.0%
Gross profit	35,127	39,950	+4,822	+13.7%
Gross margin	32.6%	33.1%	+0.5pt	—
SG&A expenses	24,073	26,450	+2,376	+9.9%
Operating income	11,053	13,500	+2,446	+22.1%
Operating margin	10.2%	11.2%	+1.0pt	—
Ordinary income	11,494	13,800	+2,305	+20.1%
Net income attributable to owners of parent	7,620	9,300	+1,679	+22.0%
EPS (yen)	126.38	154.23		
ROE	7.7%	9.1%		

The outlook remains unclear because of the COVID-19 crisis

We expect concerns and uncertainty to continue throughout FY2022/3 about construction delays and a downturn in private-sector capital expenditures.

Forecast double-digit sales and earnings growth due to a large order backlog

We forecast higher sales and earnings because the order backlog at the beginning of FY2022/3 was 10% higher than one year earlier.

The goal is record-high orders and sales despite the uncertain business climate.

Plan to maintain an operating margin above the target of 10%

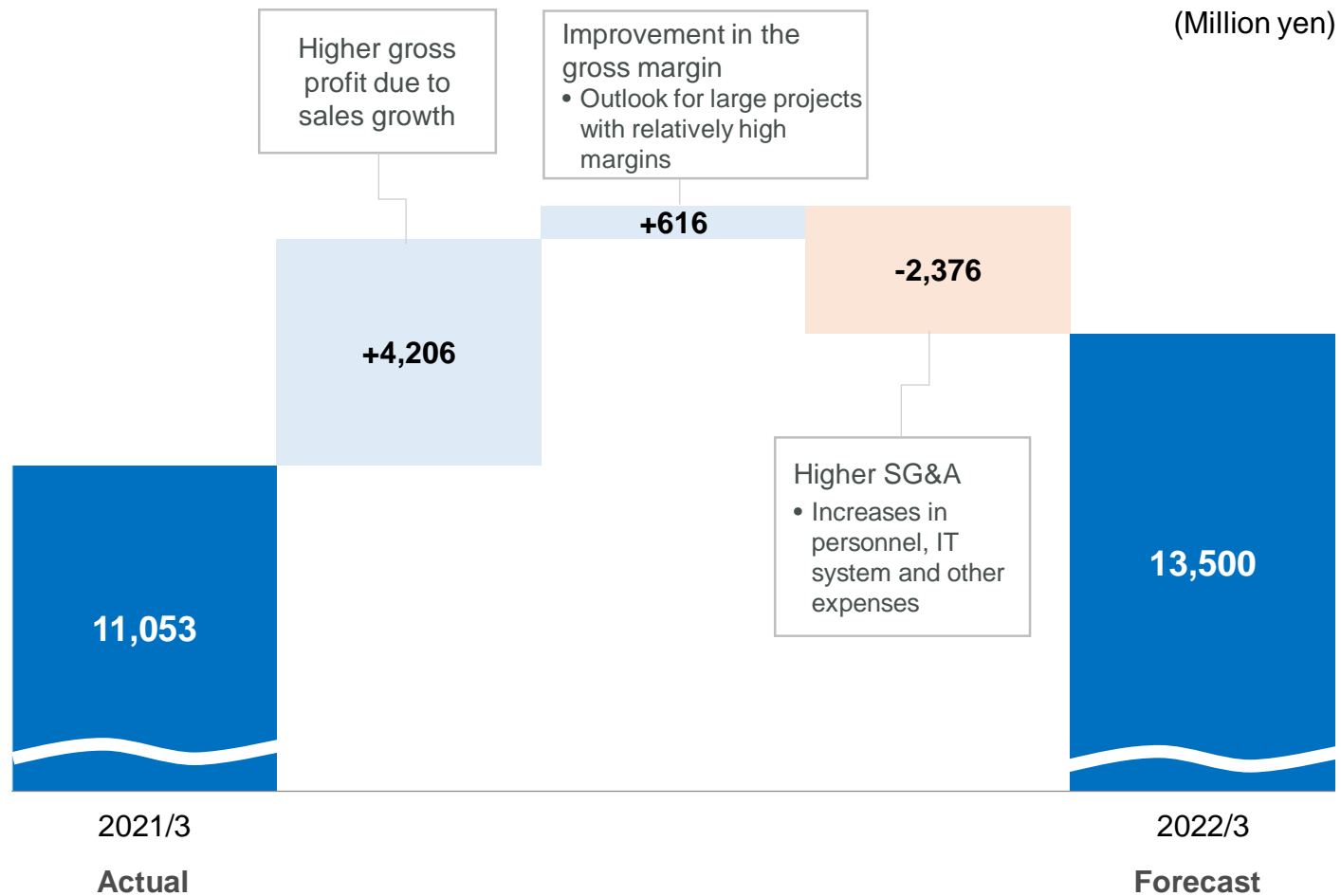
In FY2022/3, the final year of the current medium-term plan, sales are expected to fall short of the plan's goal but we expect to achieve the operating margin goal.

Forecast for FY2022/3 by Segments

(Million yen)

		FY2021/3	FY2022/3	Vs. FY2021/3	
		Actual	Forecast	Amount	Pct.
Fire Alarm Systems	Net sales	38,039	46,077	+8,037	+21.1%
	Operating income	5,979	9,114	+3,135	+52.4%
	Operating margin	15.7%	19.8%	+4.1pt	—
Fire Extinguishing Systems	Net sales	38,481	42,205	+3,724	+9.7%
	Operating income	6,568	6,710	+142	+2.2%
	Operating margin	17.1%	15.9%	-1.2pt	—
Maintenance Services	Net sales	26,688	27,270	+582	+2.2%
	Operating income	5,392	5,161	-231	-4.3%
	Operating margin	20.2%	18.9%	-1.3pt	—
Others	Net sales	5,038	5,595	+557	+11.1%
	Operating income	253	200	-53	-21.1%
	Operating margin	5.0%	3.6%	-1.4pt	—
Elimination/ Corporate	Net sales	-349	-349	—	—
	Operating income	-7,140	-7,687	-546	—
Consolidated	Net sales	107,897	120,800	+12,902	+12.0%
	Operating income	11,053	13,500	+2,446	+22.1%

Analysis of Operating Income Forecast

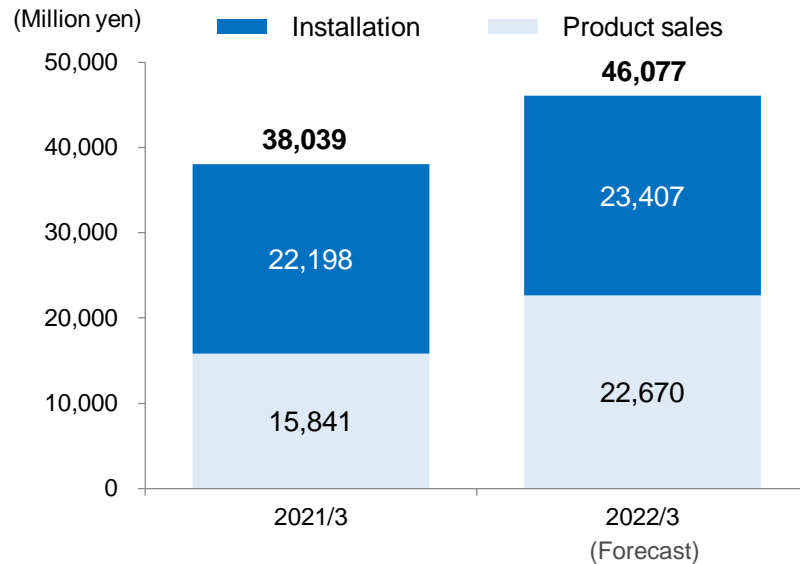


Forecast by Segments (1)

Fire Alarm Systems

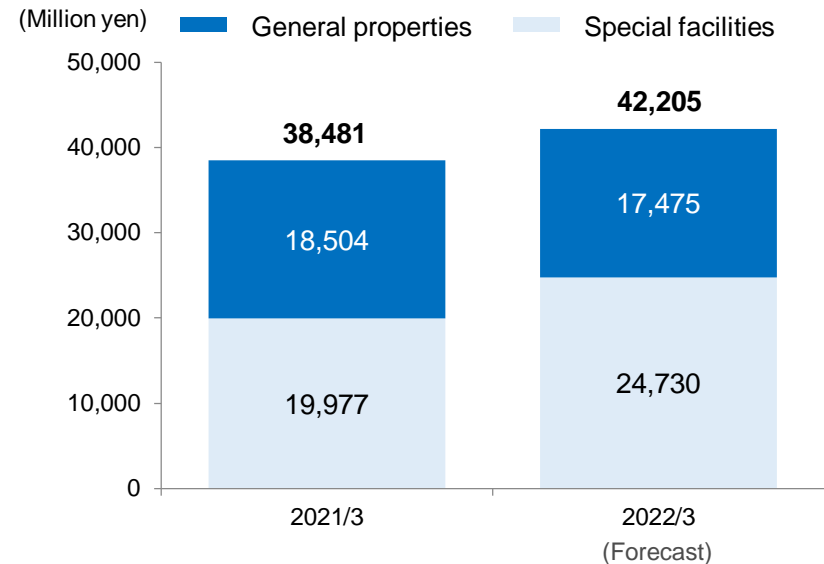
Fire Extinguishing Systems

Fire Alarm Systems



➤ Goal is a big increase in sales based on the outlook for large projects and other reasons

Fire Extinguishing Systems



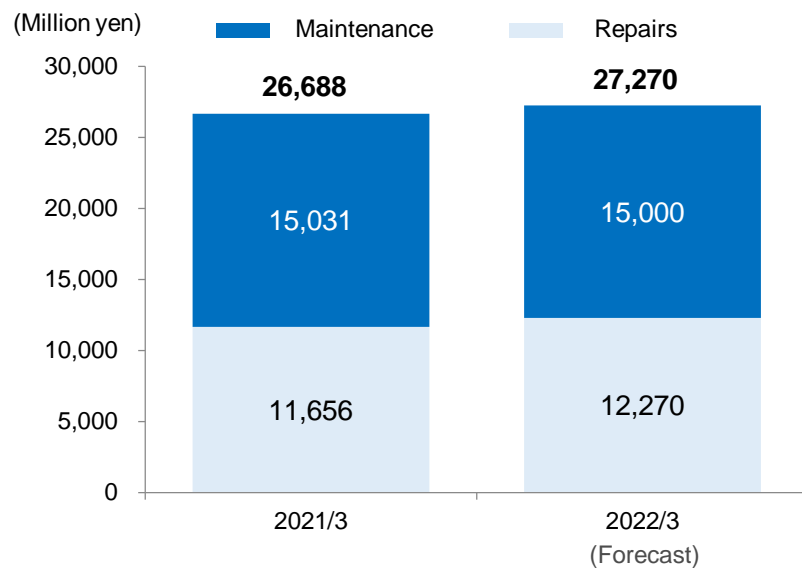
➤ Anticipate a big increase in sales involving projects for special facilities based on orders received during FY2021/3

Forecast by Segments (2)

Maintenance
Services

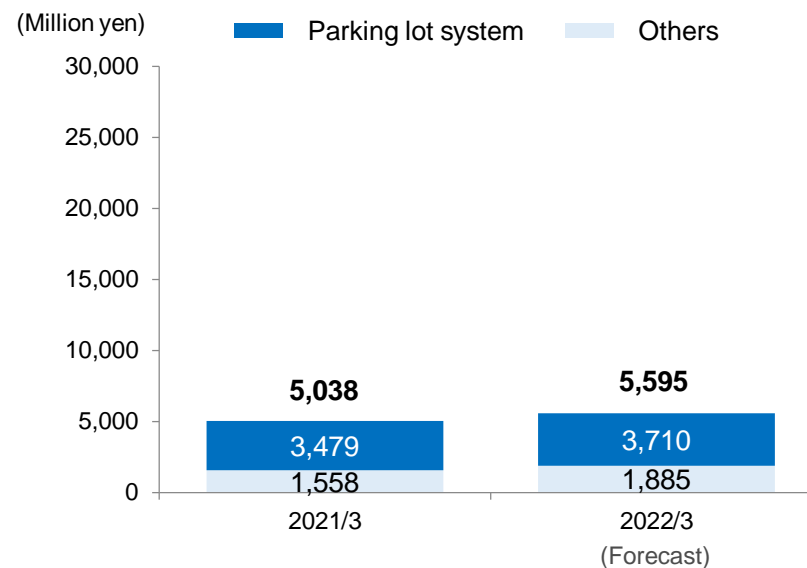
Others

Maintenance Services



➤ Expect sales to remain steady despite the uncertain outlook for the business climate

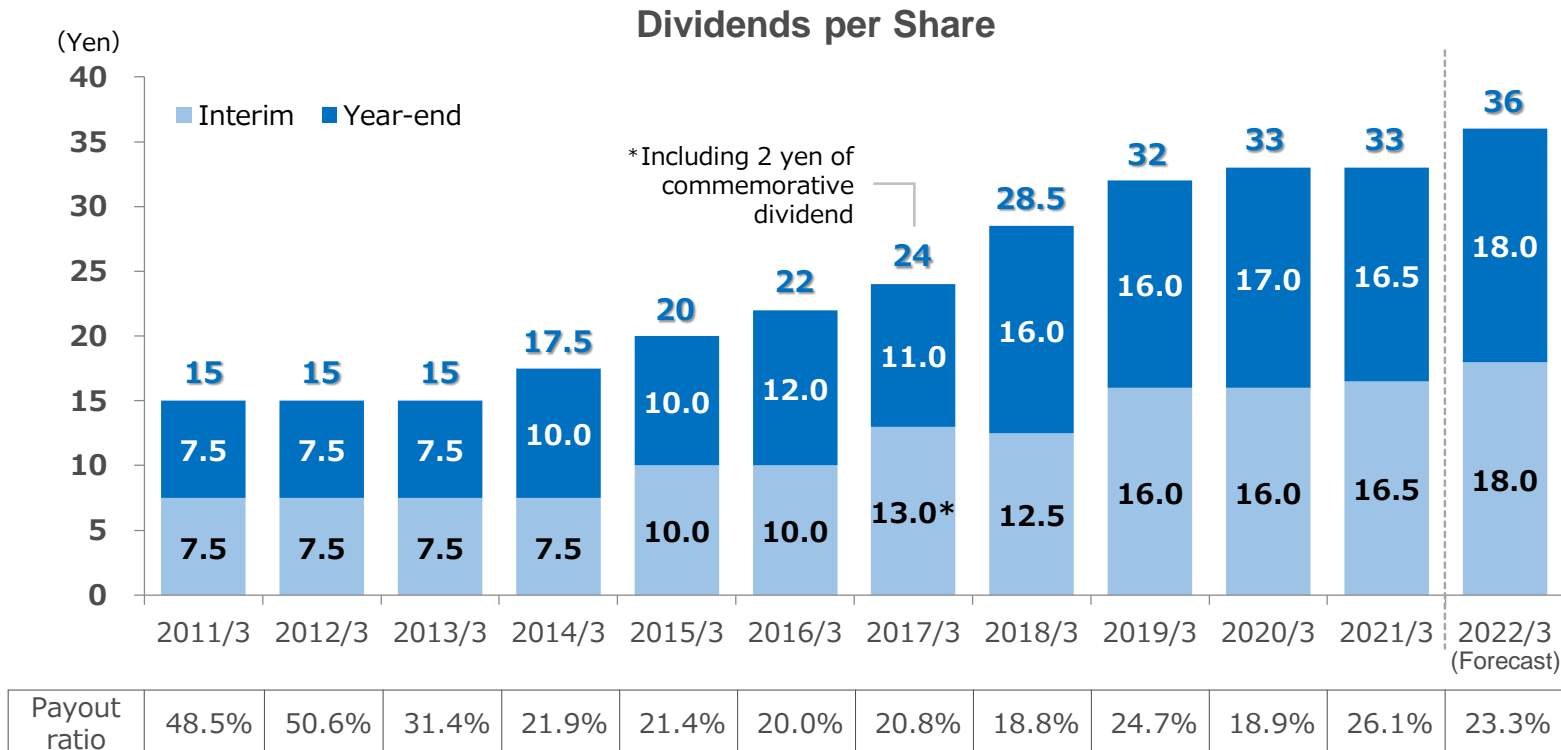
Others



➤ Anticipate parking lot systems sales to start recovering after the downturn in FY2021/3, although market conditions will remain uncertain 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)

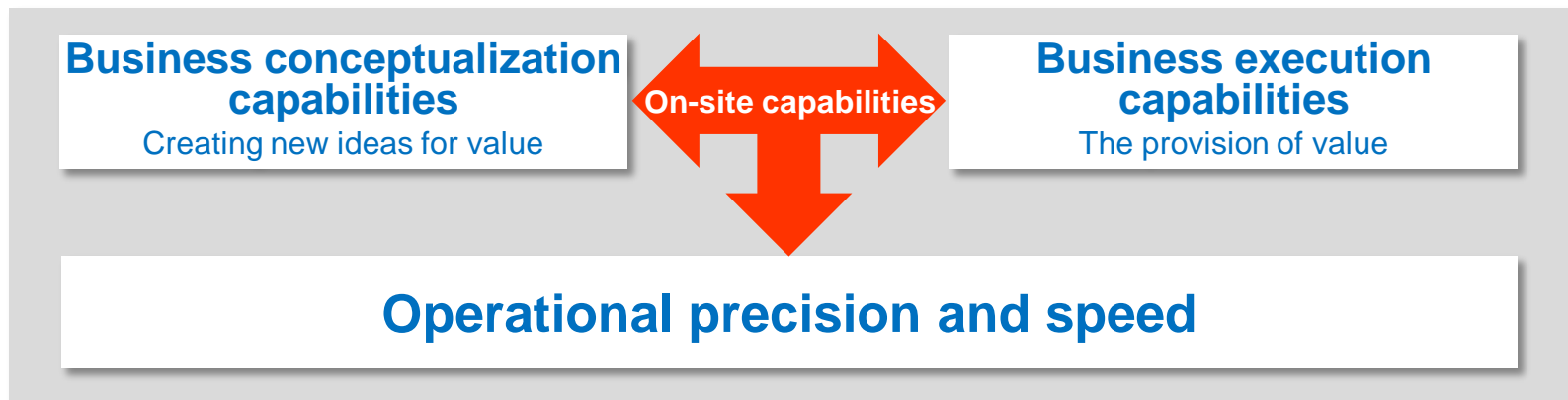


Our mission

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”

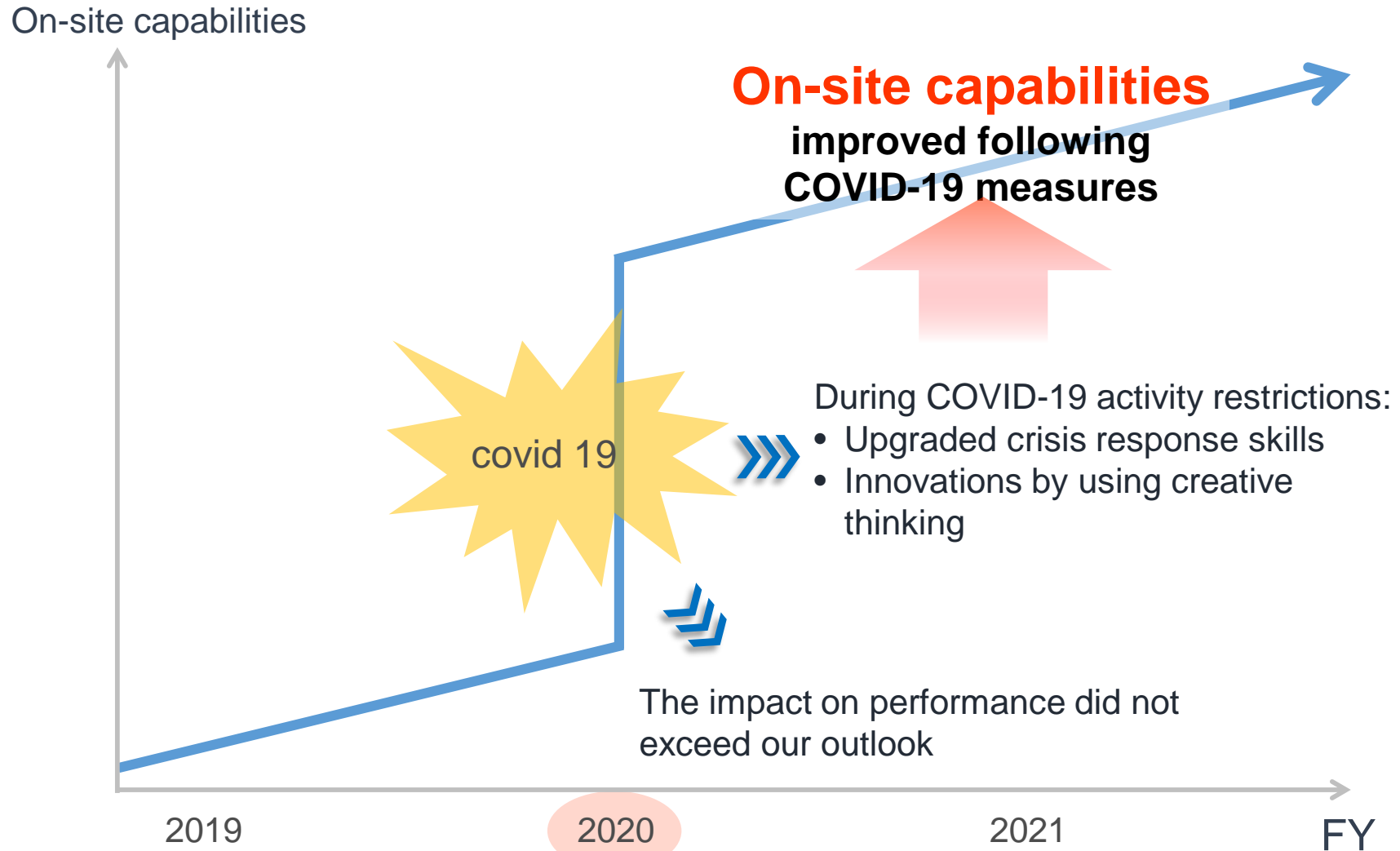
Continue to be pioneers in fire protection fields as a comprehensive fire protection company

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).

Stronger on-site capabilities – A higher stage that reflects market conditions



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 Continue strengthening corporate governance

Digital transformation of the fire protection industry

Shortage of jobsite workers

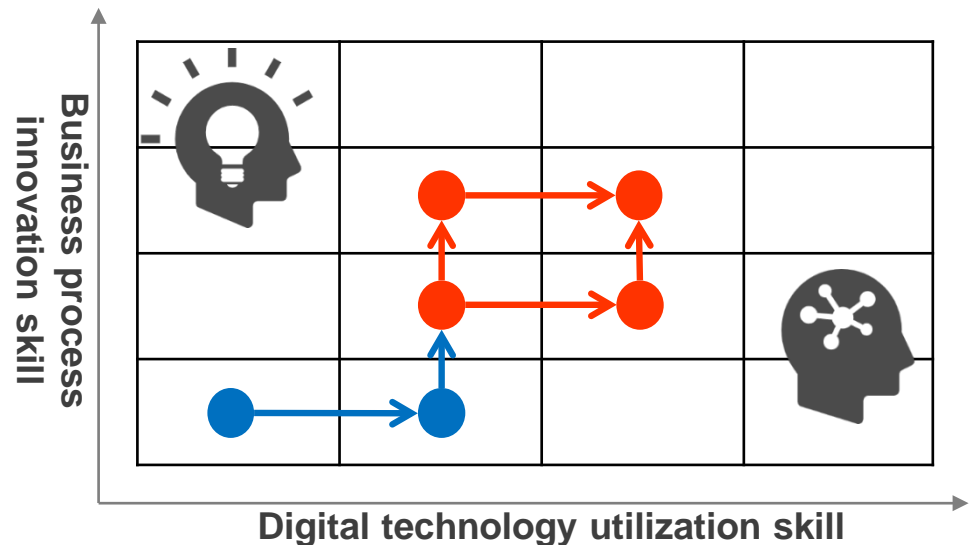
Use of
machines/robots

Workers hold computers instead of tools

Improving digital skills and work process reform skills is essential

The goals for employee skill development

- ❑ The ability to create ideas that reflect customers' true needs, to use digital technologies to create ideas for improvements and to design outstanding services
- ❑ The ability to identify problems involving business processes in one's own department and use digital technologies for improvements



Upgrade digital technology utilization skill

Quickly start using tools for performing tasks online and fully utilize these tools

- Start using digital tools
 - ⇒ Expand and strengthen data network connections, preparations for online lectures about the use and operation of these networks
- Provision of content for classes for enhancing a variety of skills
- Measures to shift to paperless business processes

Proper and productive use of human resources

- Studying methods for the visualization and sharing of information about backgrounds, certifications, career goals, performance reviews, training programs completed and other items concerning employees

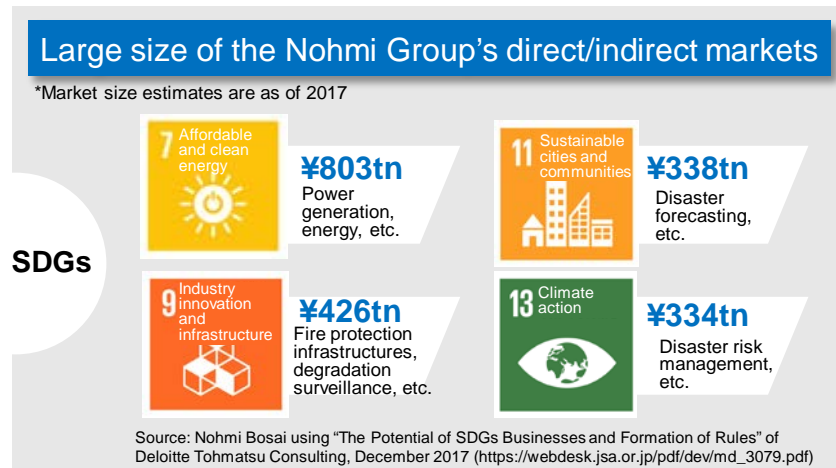
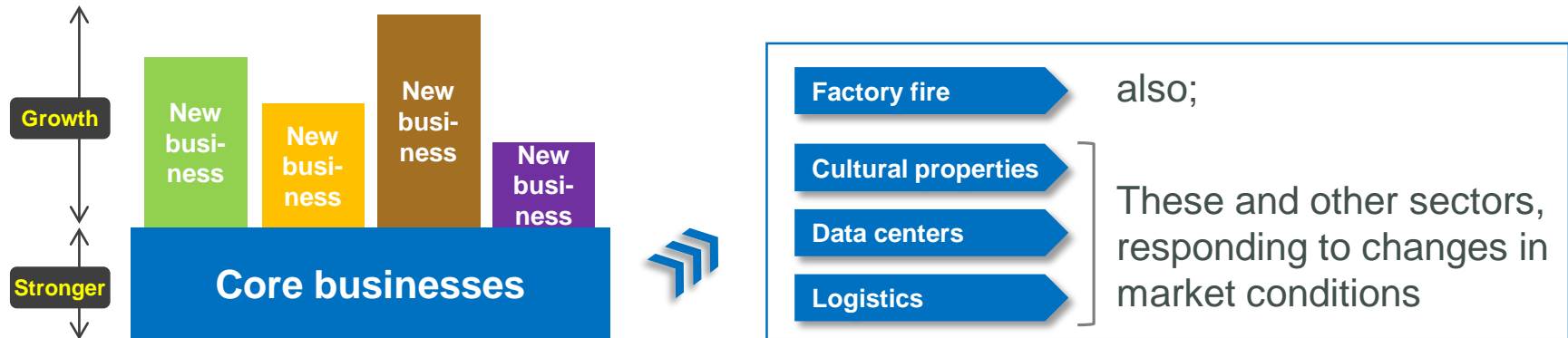
Measures for the labor shortage (increase the use of seniors)

- Revise wages for older employees

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.



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

Orders in FY2021/3

Increased more than expected including big order

Upcoming actions

Aim the steady increase of orders capturing broader needs

Focusing on;

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

Expand business fields ← Identification of necessary tasks

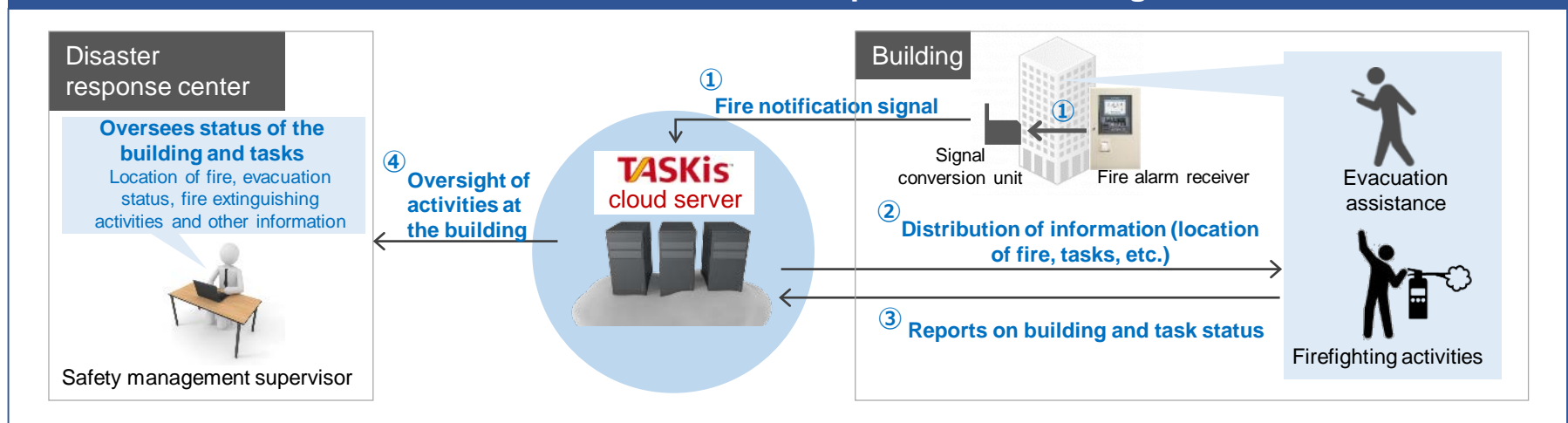


Reinforce proposal skills by supplying new forms of value

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

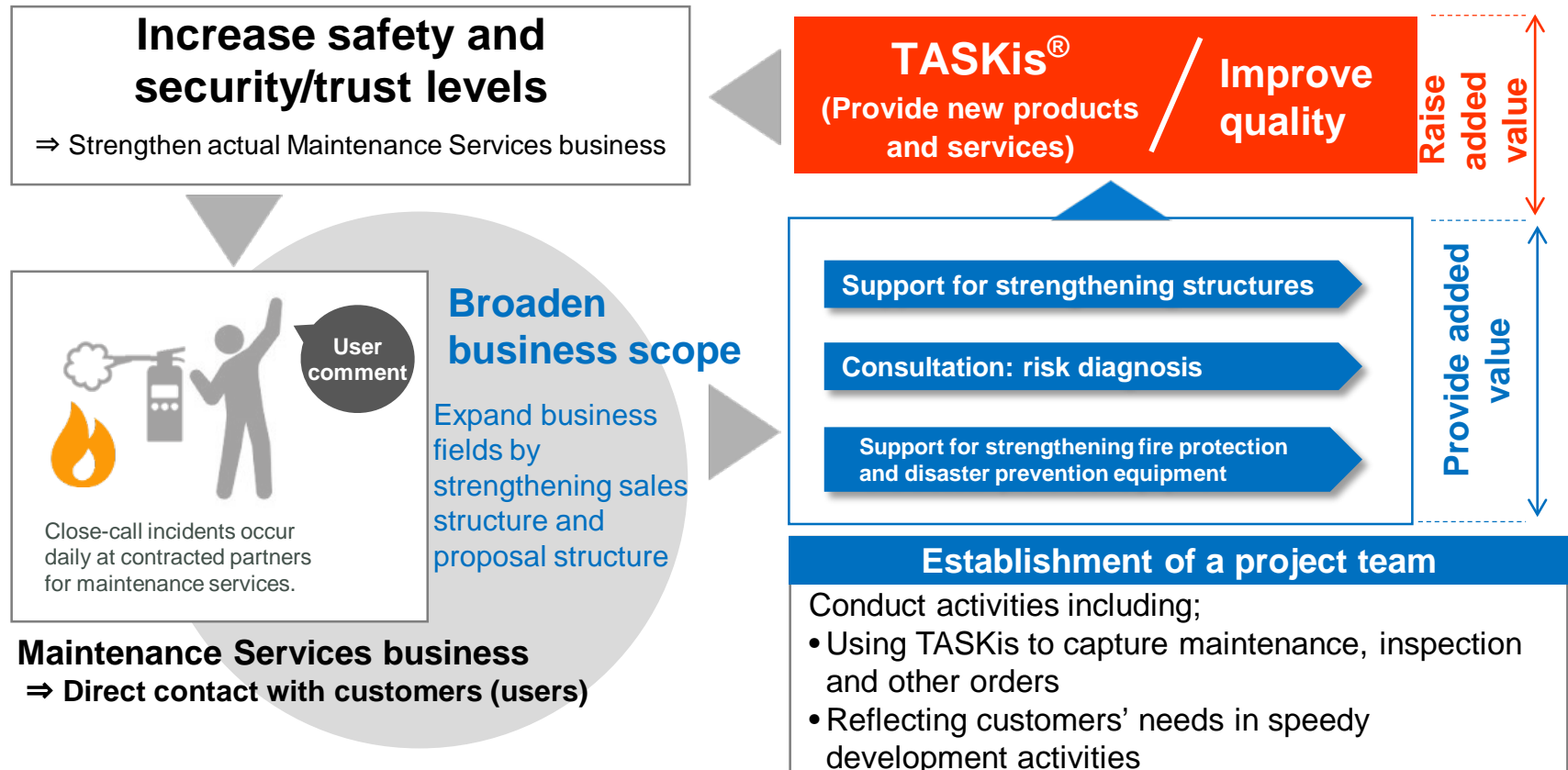


Adds new value with respect to software
(creation of an infrastructure)

Customers' needs are shifting from detection to prevention

Example of business domain expansion ~TASKis®~

New TASKis® activities for safety and security



Use sales experience and accomplishments to aim for capturing more orders by targeting safety and security needs other than fire protection and increasing the performance of products to meet those needs.

Strengthen overseas operations

Provide high value-added service that includes after service

China

Expand sales targets
Review manufacturing strategy

India

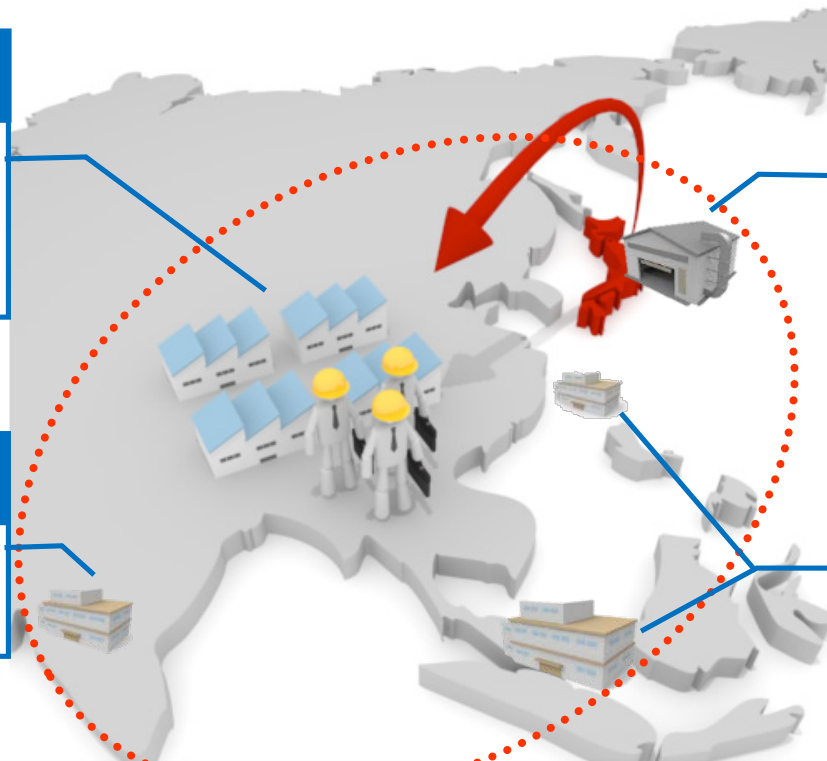
Reconstruct business strategy

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

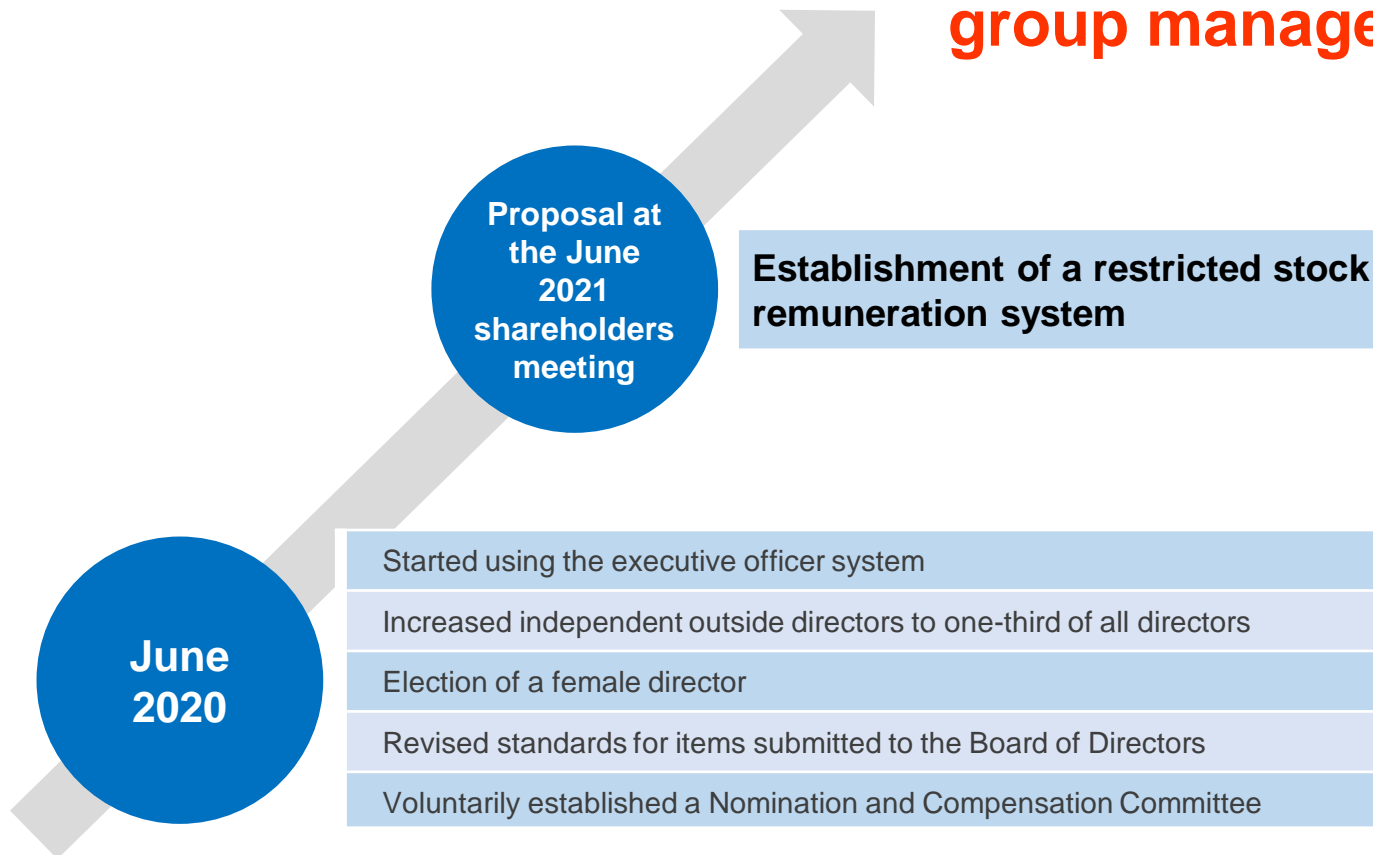
Sales network strategy
Agency strategies
Review of product lineup



No change in strategies despite the effects of the COVID-19 pandemic

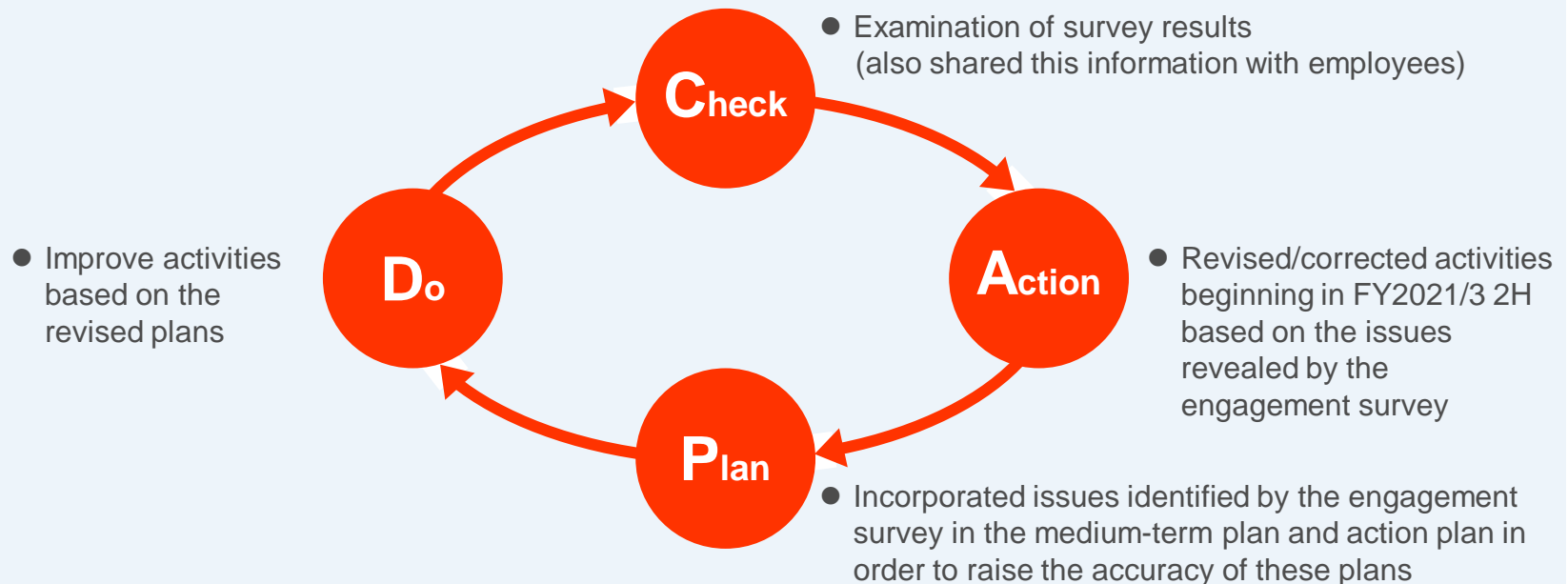
Strengthen corporate governance

Continue strengthening group management



Employee engagement survey for the medium-term management plan

Input is incorporated in measures to increase motivation and organizational performance



◆ Engagement survey for implementing the medium-term management plan

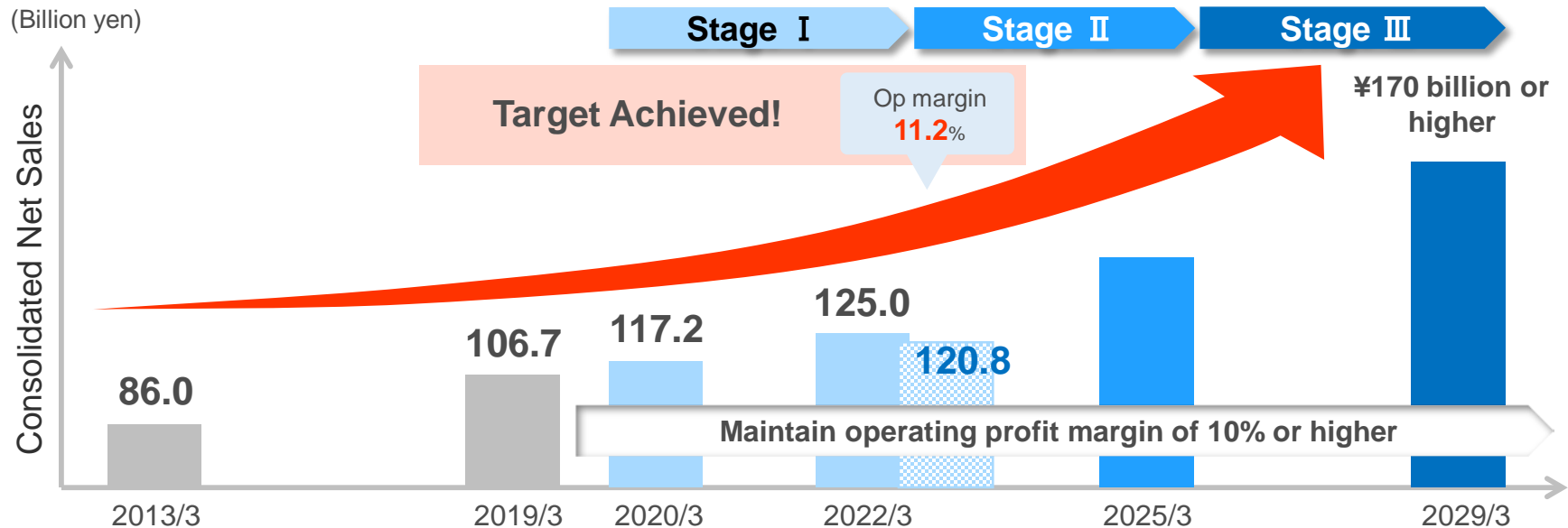
- The survey was in July 2020 (the previous survey was in May-June 2019)
- eNPS (employee Net Promoter Score) was used to analyze survey results

* eNPS is a metric used to measure the engagement of employees.

$$\text{eNPS(\%)} = \text{\% of positive responses} - \text{\% of negative responses}$$

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

Percentage of consolidated net sales

¥2.2bn

2.1%

¥2.6bn

2.2%

Revised the plan based on the market climate change

¥5.0bn

3.0%

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, 2021

Employees

2,606 (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



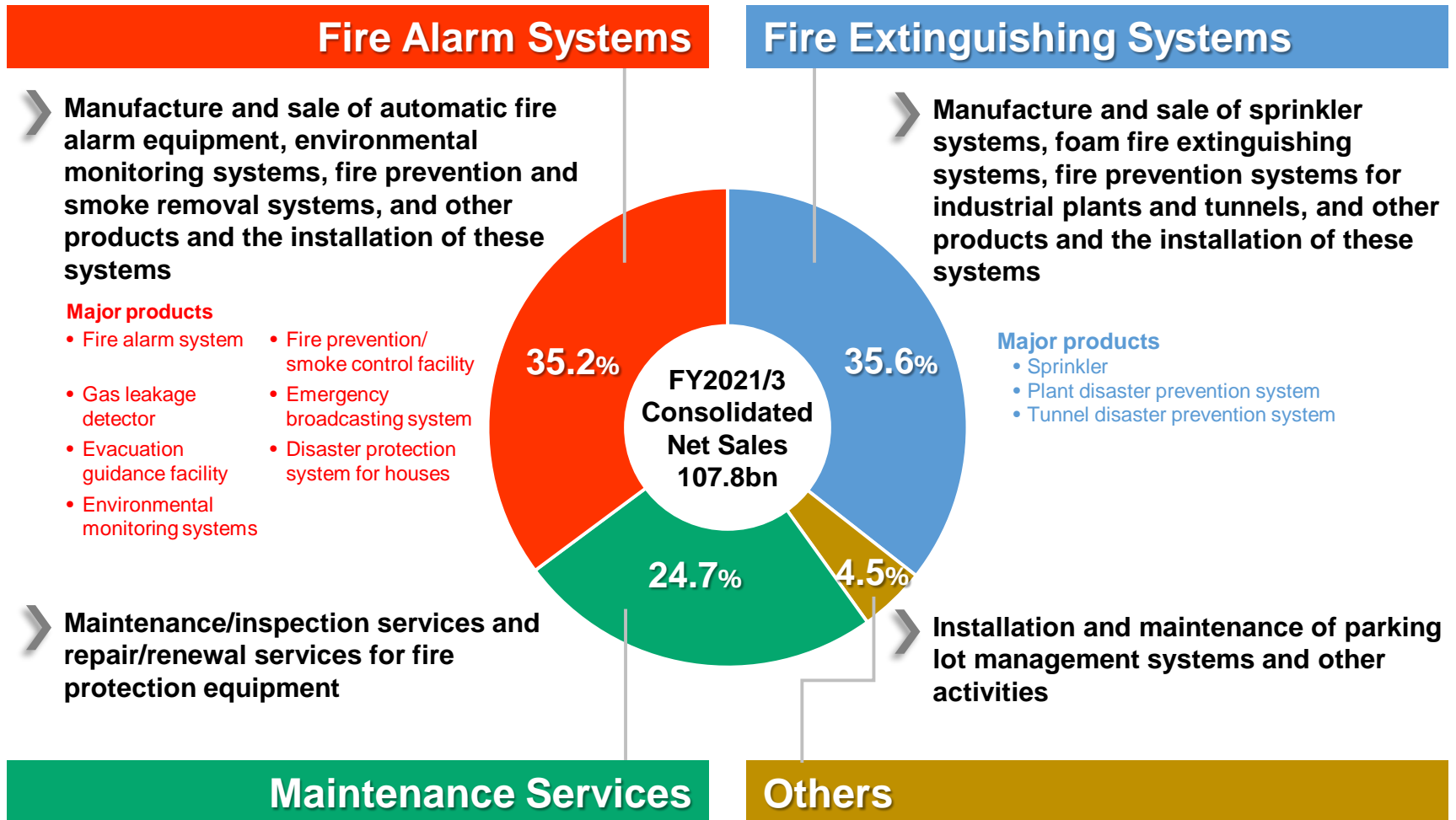
PROTECVIEW



Teruichi Nohmi

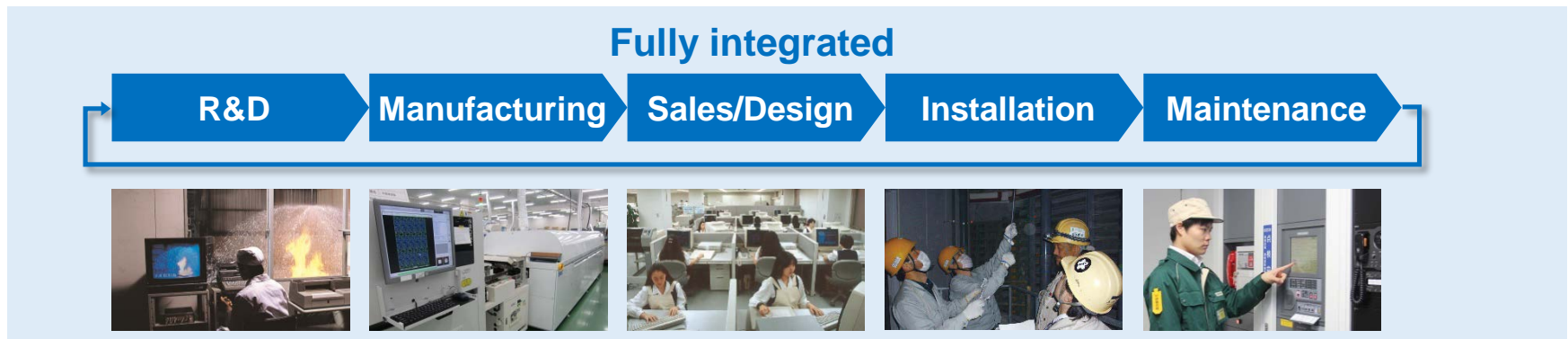


Oku-Goten in imperial palace completion ceremony



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.