NOHMI

ANNUAL REPORT 2009

For the Year Ended March 31, 2009

NOHMI BOSAI LTD.

Profile

Nohmi Bosai Ltd., established in 1944 and listed on the First Section of the Tokyo Stock Exchange in 1991, is a leading Japanese manufacturer of fire alarm and fire extinguishing systems. In fiscal 2009, ended March 31, 2009, the Company realized consolidated net sales of ¥89.6 billion. Nohmi Bosai is responsible for the development, marketing, installation and maintenance of a wide variety of state-of-the-art fire protection systems. In addition to our strong domestic presence, we are also active in China, other parts of Asia and the United States.

Contents

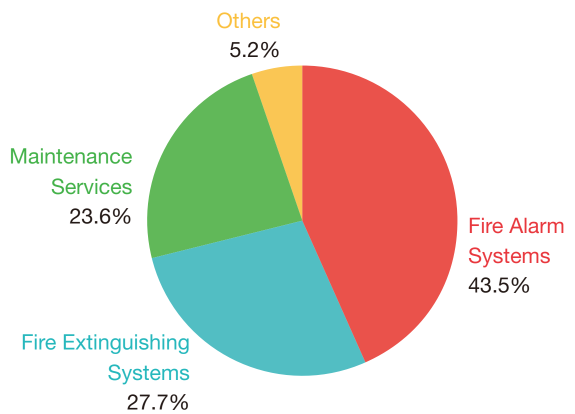
Consolidated Financial Highlights

Nohmi Bosai Ltd. and its Subsidiaries
For the years ended March 31, 2007, 2008 and 2009

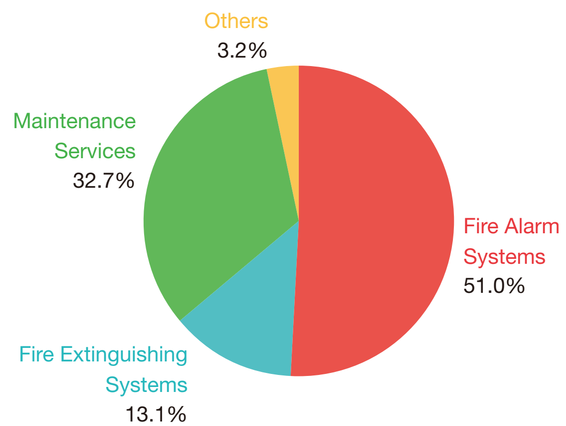
	Millions of Yen			Percentage Change	Thousands of U.S. Dollars
	2007	2008	2009	2009/2008	2009
For the year:					
New orders	¥ 83,493	¥ 85,077	**¥ 92,516**	8.7 %	**$ 942,790**
Net sales	79,706	84,947	**89,580**	5.5	**912,871**
Cost of sales	57,681	60,770	**63,462**	4.4	**646,714**
Operating income	3,802	4,829	**5,579**	15.5	**56,853**
Net income	2,067	2,854	**3,202**	12.2	**32,630**
At year-end:					
Total assets	¥ 77,444	¥ 81,249	**¥ 81,875**	0.8 %	**$ 834,352**
Total net assets	46,646	49,319	**50,981**	3.4	**519,525**
Backlog of orders	32,288	32,418	**35,354**	9.1	**360,277**
Number of employees	1,878	2,068	**2,150**	—	**—**
Per share (in yen and U.S. dollars):					
Net income—primary	¥ 43.44	¥ 47.26	**¥ 53.04**	12.2 %	**$ 0.54**
Cash dividends	10.00	13.00	**15.00**	—	**0.15**

Notes: 1. Per share amounts are based on the weighted average number of shares outstanding during each period.
2. All dollar figures herein refer to U.S. currency unless otherwise specified. The dollar amounts in this report represent the translation of yen, for convenience only, at the rate of ¥98.13=US$1, the approximate effective rate of exchange prevailing on March 31, 2009.
3. All amounts are in millions of yen or thousands of U.S. dollars, except number of employees and per share amounts.

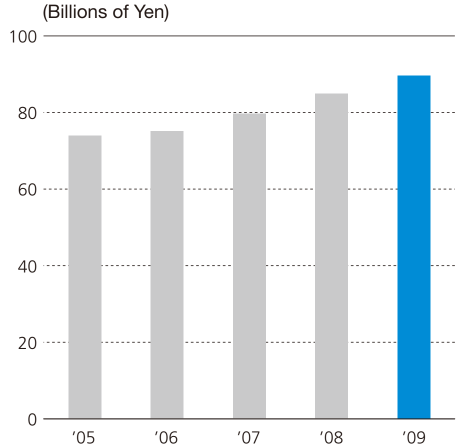
FY2009 Net Sales Breakdown



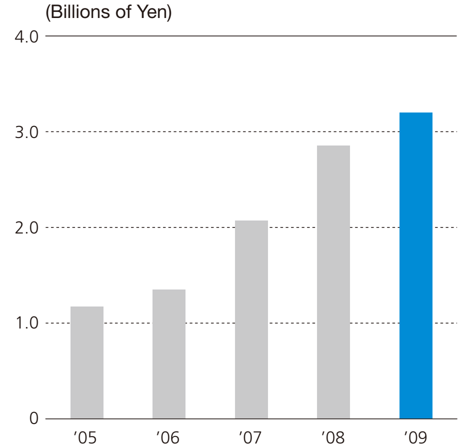
FY2009 Operating Income Breakdown



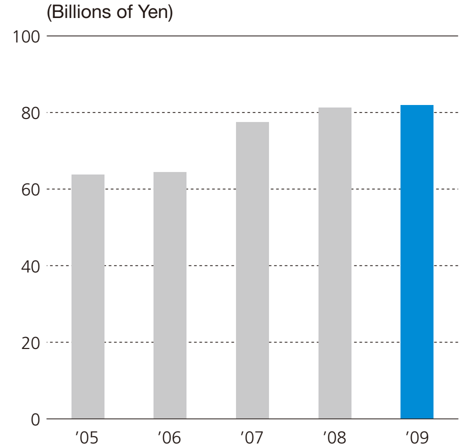
Net Sales
(Billions of Yen)



Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)



Takeshi Hashizume
President

Building a Premium Fire Protection Systems Brand

Operating Environment and Business Results in Fiscal 2009

During fiscal 2009 (ended March 31, 2009), the slowdown in the Japanese economy became increasingly pronounced, as corporate earnings rapidly deteriorated amid the global financial crisis triggered by the subprime mortgage problem.

The domestic fire protection industry, in which the Nohmi Bosai Group operates, faced severe business conditions. While public-sector investment remained anemic, capital investments and housing construction declined as a result of a sharp erosion of corporate earnings and market prices remained sluggish.

Under these conditions, the Nohmi Bosai Group focused on promoting the priority policies of its "Next Stage 21" three-year medium-term business plan formulated in 2007 as the Company aimed to improve its corporate structure. These measures underpinned an 8.7% increase in new orders to ¥92,516 million and a 5.5% rise in net sales to ¥89,580 million. At the profit level, operating income advanced 15.5% to ¥5,579 million and net income rose 12.2% to ¥3,202 million. This marks the fifth consecutive fiscal year that the Nohmi Bosai Group has achieved increases in sales and income. It is worth noting that we attained our initial targets for the fiscal year despite a harsh economic climate.

By business segment, net sales in the Fire Alarm Systems segment rose 9.3% to ¥38,995 million. Despite a decline in sales from installation work for new construction, we recorded favorable results in renovation-related installations, while robust sales of residential fire alarms were buoyed by the mandatory installation requirements under the Japanese Fire Service Law. In the Fire Extinguishing Systems segment, although net sales dipped a slight 0.5% to ¥24,823 million, we posted an increase in income by implementing cost-improvement and other measures. The Maintenance Services segment posted a 1.3% rise in net sales to ¥21,144 million, and net sales in the Others segment rose 33.1% to ¥4,618 million. (See Review of Operations on page 5 for a detailed description of segment results.)

Progress of Our Three-Year Medium-Term Business Plan

The Nohmi Bosai Group is committed to our role as "pioneers in the fire protection industry, who are dedicated to making society safer," which is the Company's motto. In fulfilling this mission, the Group adheres to a fundamental policy of providing the latest, most optimal fire protection systems designed to protect life and property under an integrated structure ranging from R&D to sales, installation and maintenance. At the same time, we operate with an emphasis on conserving the environment, energy and natural resources in all our activities.

Fiscal 2009 marked the mid-point of our three-year business plan formulated in accordance with the aforementioned fundamental policy. Under the banner "Building a Premium Fire Protection Systems Brand," we implemented the following priority measures to improve our corporate structure. These measures focused on:

- Enhancing operational capabilities
- Strengthening target management
- Enhancing consolidated operations
- Boosting R&D and technological capabilities

Supported by these measures, the Nohmi Bosai Group achieved increases in sales and income for the fifth consecutive fiscal year amid a harsh operating environment. I believe this solid performance is attributable to the collective efforts of the entire Group to strengthen corporate supervision and bolster our corporate foundation. In the future, we will accelerate development by proactively introducing IT and other cutting-edge technologies. In parallel, we will develop highly competitive and innovative new products that combine fire protection and security technologies to cultivate markets in new and existing fields.

As another important task, we are also reinforcing the Group's strengths in several key areas. To enhance production capacities, for example, we are re-building a high-quality, cost competitive production and logistics structure and raising production capacity for fire protection and security devices, including for OEM devices, in addition to leveraging our capabilities in quality, cost and delivery (QCD). At the same time, we are working to enhance customer satisfaction by establishing a customer support system and a customer service center.

Turning to overseas markets, we will strive to increase profit by actively implementing our business activities. In addition, we will endeavor to secure the technological capabilities required to keep pace with globalization while establishing procurement, production and logistics frameworks.

Principal Policies of "Next Stage 21"

Key theme: "Building a Premium Fire Protection Systems Brand"

(1) We will strengthen corporate management by:
- a. Tapping into new markets
- b. Reforming existing businesses
- c. Enhancing consolidated operations

(2) We will strengthen our corporate foundation by:
- a. Boosting research and development (R&D) and technological capabilities
- b. Building up production capacities
- c. Promoting overseas operations
- d. Strengthening core business systems
- e. Enhancing the training and development of fire protection professionals

In working toward these goals, we will enhance training of our human resources—one of our most important business assets—and accordingly, invest in the cultivation of fire protection professionals.

Initiatives for Transparent Management

The Nohmi Bosai Group has been undertaking a variety of initiatives to strengthen our corporate governance structure with the aims of maximizing corporate value, ensuring transparency in corporate management and enabling a quick decision-making process. We emphasize accountability to such key stakeholders as our shareholders and investors by disclosing information in a timely and appropriate manner. Moreover, by building an internal control system, we are carrying out compliance-based management that ensures strict Group-wide adherence to our code of conduct and internal rules and thereby preventing any kinds of misconduct.

Shareholder Return

For the fiscal year ended March 31, 2009, the Company will pay total cash dividends per share of ¥15.00, which includes a year-end cash dividend per share of ¥10.00 and interim dividend of ¥5.00 per share. With an emphasis on returning profits to shareholders, we pay dividends based on a comprehensive evaluation of such financial indicators as our payout ratio while considering the need for internal reserves for strengthening our corporate structure in preparation for future business development.

Outlook for Fiscal 2010

In fiscal 2010, the final year of our medium-term business plan, global economic conditions are likely to further deteriorate. Amid these circumstances, the Nohmi Bosai Group will continue to cultivate markets more deeply by leveraging our high-quality products and services and extensive corporate strengths to secure earnings while also undertaking initiatives to lower costs. Through these measures, we are forecasting consolidated net sales of ¥92,000 million, operating income of ¥5,600 million and net income of ¥3,250 million.

As pioneers in the fire protection industry, the Nohmi Bosai Group will continue to provide "reassurance" to numerous customers while making unrelenting efforts to tackle challenges in new fields.

In closing, I would like to ask all our stakeholders, including shareholders, for their continued understanding and support in the coming year.

July 2009

Takeshi Hashizume

Takeshi Hashizume
President

Nohmi Bosai at a Glance

*Percentage of segment net sales for the fiscal year ended March 31, 2009

Fire Alarm Systems ...43.5%*

The Nohmi Bosai Group provides a wide range of fire alarm systems and equipment—including automatic fire alarm systems, environmental monitoring systems and fire/smoke control systems—for customers at various locations, ranging from homes to large-scale commercial and industrial facilities. These products are highly acclaimed in the marketplace for integrating cutting-edge technologies as well as for outstanding practicality and safety supported by our stringent quality assurance.

We continue to develop highly reliable products that meet the diverse requirements of today's buildings, as well as the analog addressable fire alarm equipment that satisfies overseas standards.

Fire Monitoring Panels in Control Center

Major Products and Services
- Fire Alarms and Bells
- Heat, Smoke and Gas Detectors
- Infrared Ray Flame Detectors
- Control Panels
- Very Early Smoke Detection Apparatus
- Smoke Control Systems
- Transmitters
- Auxiliary Equipment

Fire Extinguishing Systems ...27.7%*

The Nohmi Bosai Group offers a wide choice of sprinkler systems, foam systems and fire protection equipment for large-scale buildings and facilities, including office buildings, leisure complexes, factories, industrial plants and road tunnels. We also offer an assortment of residential sprinkler systems. The Group has earned an outstanding reputation, especially for our excellent technologies in the design and installation of fire extinguishing systems for waste incineration facilities, chemical plants and other specialized facilities.

We are promoting the development of distinctive products that combine the Group's proprietary technologies as well as products for cultivating new markets that address needs arising from an aging society.

Foam Extinguishing Test

Major Products and Services
- Sprinklers
- Spray Heads and Nozzles
- Fire Extinguishers
- High-Expansion Foam Extinguishing Systems
- Dry Chemical Extinguishing Systems
- Heat and Gas Dispersion Control Systems
- Water Cannons

Maintenance Services ...23.6%*

Along with R&D for creating the best-suited fire protection systems, regular maintenance inspections are crucial for maintaining the level of quality necessary for these systems to function reliably and ensure optimal performance.

The Maintenance Services segment ensures the highest levels of safety and performance by offering a wide variety of maintenance services, including round-the-clock online monitoring and telephone support services, as well as inspections, repairs and fire protection equipment leasing. We also offer fire protection consulting services to building owners.

Inspection Services

Major Services
- Maintenance Services
- Inspection Services

Others 5.2%*

This segment includes the installation and management of parking lot control systems and the sale of security equipment.

In our parking lot control service, we offer driving lane control systems to make driving in parking lots safer and improve the efficiency of parking lot traffic flow and operations. We offer a full range of systems suited for parking lots of all sizes.

Parking Control System

Major Products and Services
- Parking Lot Maintenance Services
- Security equipment

Fire Alarm Systems

The Year in Review

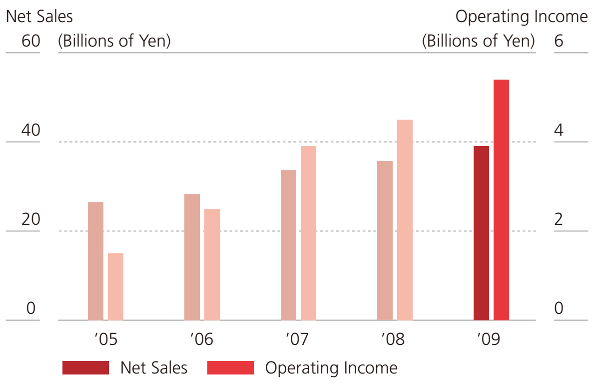
Net sales in the Fire Alarm Systems segment in fiscal 2009 rose ¥3,324 million, or 9.3%, from the previous year to ¥38,995 million, accounting for 43.5% of consolidated net sales. Operating income increased ¥896 million, or 20.1%, to ¥5,362 million. New orders rose ¥3,976 million, or 11.1%, to ¥39,704 million.

While revenue from new installation work declined, we recorded growth in revenue from renovation-related installations. Sales of residential fire alarms were favorable.

Outlook

Although customer demands for price reductions are expected to continue, we will promote marketing that targets small multi-occupancy buildings for retroactive installations of fire alarm systems while expanding sales of residential fire alarms. At the same time, we will strive to expand our share of overseas markets by strengthening sales in China, which continues to build its infrastructure.

Net Sales/Operating Income of Fire Alarm Systems



Fire Extinguishing Systems

The Year in Review

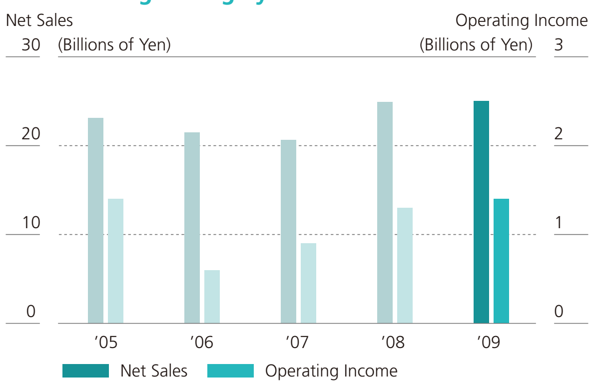
Net sales in the Fire Extinguishing Systems segment in fiscal 2009 declined ¥120 million, or 0.5%, to ¥24,823 million, accounting for 27.7% of consolidated net sales. Operating income increased ¥87 million, or 6.7%, from the previous fiscal year to ¥1,376 million. New orders edged up ¥185 million, or 0.7%, to ¥25,451 million.

During the fiscal year under review, we recorded higher sales of fire extinguishing equipment for general properties such as high-rise buildings as well as for special facilities, including plants and factories. On the other hand, sales of road tunnel fire protection equipment declined. Although the cost-of-sales ratio improved slightly, we achieved only a small increase in operating income.

Outlook

We will strengthen our proposal-based marketing that utilizes our outstanding technological capabilities to promote sales of fire extinguishing systems for controlling plant fires and fires involving hazardous materials. We will also make finely tuned responses to new demand arising from the performance-based codes incorporated into amendments to the Fire Service Law.

Net Sales/Operating Income of Fire Extinguishing Systems



Maintenance Services

The Year in Review

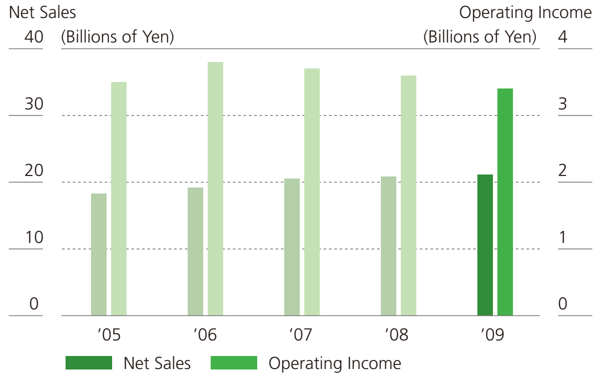
Net sales for the Maintenance Services segment in fiscal 2009 were up ¥281 million, or 1.3%, to ¥21,144 million, representing 23.6% of consolidated net sales. Operating income declined ¥171 million, or 4.7%, to ¥3,443 million. New orders increased ¥2,111 million, or 10.1%, to ¥23,052 million.

While we recorded higher sales in repair and installation services, sales in maintenance services declined slightly. Despite the slight rise in total net sales in this segment, operating income decreased due mainly to an increase in selling, general and administrative (SG&A) expenses.

Outlook

The Japanese Fire Service Law stipulates that all fire alarm equipment and fire extinguishing equipment is subject to regular inspections. Consequently, the maintenance services market for these products has remained stable. Because we carry out integrated development, design and installation of our fire protection equipment, we are firmly positioned to provide comprehensive maintenance services. Moreover, we are responding to increasingly sophisticated building construction technologies by focusing on raising the technical skills and expertise of our maintenance staff via intensive training programs. Through such initiatives, we plan to strengthen our marketing approach that focuses on securing maintenance contracts at the same time customers place orders for new installations.

Net Sales/Operating Income of Maintenance Services



Others

The Year in Review

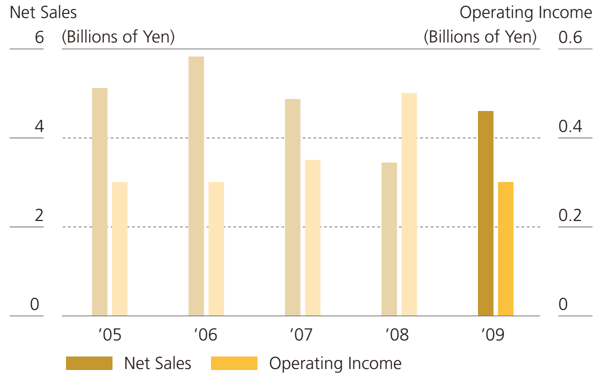
Net sales for this segment in fiscal 2009 increased ¥1,148 million, or 33.1%, from the previous fiscal year to ¥4,618 million, representing 5.2% of consolidated net sales. Operating income declined ¥159 million, or 31.8%, to ¥341 million. New orders surged ¥1,168 million, or 37.2%, to ¥4,310 million.

Although we withdrew from the printed circuit board (PCB) assembly business, which had experienced deteriorating results, we were able to achieve a large increase in sales on the back of increased revenue in parking lot control systems as well as significant revenue gains in other businesses. Due to a decline in the cost of sales, gross profit increased slightly. Operating income declined owing to such factors as a rise in selling expenses.

Outlook

We will concentrate our advanced technological and production capabilities on high profit business to improve overall performance.

Net Sales/Operating Income of Others



Fundamental Policies

To ensure the transparency of management, we emphasize accountability to such key stakeholders as our shareholders and investors by disclosing information in a timely and appropriate manner. We have also set up an appropriate governance structure that encompasses various legal functions and systems, while undertaking compliance-based management that ensures strict Group-wide adherence to our code of conduct and internal rules.

Corporate Governance Structure

The Company has adopted the auditor system and has appointed two outside directors to the Board of Directors. The Board makes important management decisions and oversees the execution of business operations with the aims of maximizing corporate value, ensuring transparency in corporate management and assuring a quick decision-making process.

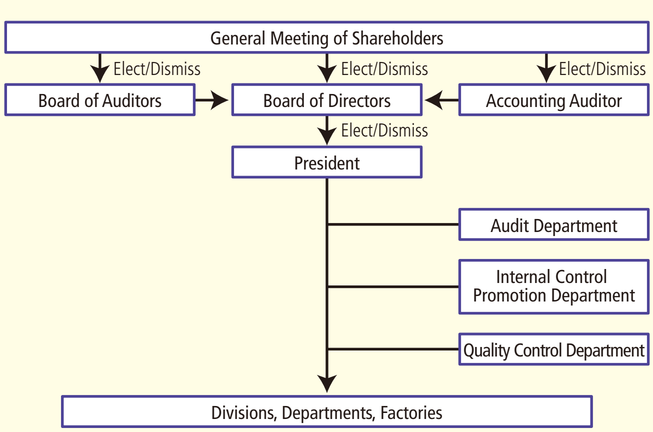
We have also appointed three outside corporate auditors to the Board of Auditors. Two standing corporate auditors attend all important meetings, including those held by the Board of Directors and Board of Managing Directors, and examine all Group companies, monitor the independence of accounting auditors and receive reports and explanations from the accounting auditors. They also hold auditors' meetings on a regular basis to report and discuss these results, which further reinforces the Board of Auditors' auditing functions.

The Audit Department, which is an internal audit department comprised of three staff members and independent from other departments, works in collaboration with auditors and accounting auditors to systematically conduct financial and operational audits of all departments. The Audit Department provides recommendations for improvements based on the results of these audits and requires departments to regularly report on the status of any recommended improvements. At the same time, the department reports to the president and the auditors to help address any problems.

Concerning risk management, we have formulated Risk Management Guidelines and built a risk response organizational structure. As part of this structure, we have established the Risk Management Committee, led by the director in charge of general affairs, and the Emergency Action Headquarters, headed by the president, to make appropriate responses depending on the nature of the risk-related issues.

In this manner, we are establishing a management control structure while enhancing our corporate governance through measures that include formulating rules for management control and business execution.

Management Control Structure



Internal Control System

In accordance with the Companies Act as well as the Ordinance for Enforcement of the Companies Act, we have established the 10 structures and related matters listed below to assure that we execute our business in an appropriate manner. Under this structure, the directors and employees act in accordance with our code of conduct and other internal rules, which serve as corporate conduct criteria prescribing the proper ways of behavior for each employee. We aim for greater permeation of these behavioral criteria through training and dissemination to employees. We also gather information from a wide range of sources, including from a legal compliance helpline, while setting up compliance structures and other necessary structures to ensure the reliability of the Group's financial reports.

Internal Control System

1. Structure for assuring that the execution of work duties by directors and employees conforms with laws and the Articles of Incorporation
2. Structure for preserving and managing information concerning the execution of work duties by directors
3. Structure for stipulations and other matters related to crisis management for exposure to losses
4. Structure for assuring that the execution of work duties by directors is performed efficiently
5. Structure for assuring the appropriateness of business operations of the Nohmi Bosai Group, composed of Nohmi Bosai Ltd., its parent company and its subsidiaries
6. Structure related to internal audits
7. Matters concerning employees who, based on requests of auditors, are dispatched to assist auditors with work duties
8. Matters concerning the independence of employees mentioned in (7) from directors
9. Structure for reports by directors and employees to auditors and structure for reporting to other auditors
10. Structure for assuring that audits of other auditors are performed effectively

An Integrated Fire Protection Service

Nohmi Bosai's mission is to ensure that people have effective fire protection so they can enjoy safe and comfortable lives. To this end, we have established an integrated series of services that assume consistent responsibility for giving customers the best fire protection system for their needs.

Research and Development

Simulation experiments are performed in Nohmi Bosai's laboratories to enable the Company to develop fire alarm and extinguishing systems that provide an optimum degree of fire protection for the customer.

Risk Analysis

The first step in providing fire protection is to understand the customer's specific requirements. Nohmi Bosai conducts detailed analyses of the customer's premises to evaluate important environmental factors and potential fire hazards.

Consultation and System Design

Information obtained from simulation experiments and client consultation is important for both designing and developing customized fire protection systems.

Manufacturing and Quality Assurance

All of Nohmi Bosai's products are manufactured under a strict quality control system. Evidence of our commitment to quality is the certification of our Menuma factory under ISO 9002—an internationally recognized standard for quality systems.

Installation

After designing an appropriate fire protection system, our specialists install the new system. Nohmi Bosai's abundant experience in installing fire protection systems ensures that work proceeds quickly and smoothly.

Commissioning

The commissioning stage is vital. At project completion, our specialists conduct a thorough inspection of the newly installed fire protection system to ensure that all fire alarm and extinguishing systems are working properly. The results of this inspection are then explained to the customer.

Maintenance

Nohmi Bosai's maintenance services give customers extra safety assurance. We ensure that existing systems work properly. Also, we check the appropriateness of existing systems in the event of a change in the occupancy or installation conditions of a building.

Performance Analysis

The Nohmi Bosai Group's consolidated financial statements are prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP). An analysis of our financial condition and business results for fiscal 2009 is shown below.

The harsh operating environment surrounding the fire protection industry continued in fiscal 2009 owing to declining public-sector investment and a decrease in overall demand for construction. Under such conditions, the Nohmi Bosai Group's business results by segment were as follows.

Net sales in the Fire Alarm Systems segment increased 9.3% to ¥38,995 million. Within this segment, sales of residential fire alarms were favorable. In installation business, although revenue from new installations declined, revenue from renovation-related installation work increased.

Net sales in the Fire Extinguishing Systems segment slipped 0.5% to ¥24,823 million. Although we posted higher sales of fire extinguishing equipment for such general properties as high-rise buildings and for special facilities, including plants and factories, net sales in this segment declined owing to a decrease in sales of road tunnel fire protection equipment.

Net sales in the Maintenance Services segment edged up 1.3% to ¥21,144 million. We recorded increased sales in repair services, but sales in maintenance services declined slightly.

In the Others segment, which includes all other businesses, we achieved a 33.1% increase in net sales to ¥4,618 million. Although we withdrew from the PCB assembly business, an increase in revenue from parking lot control systems, coupled with sharp rises in revenue in other businesses, led to higher sales in the Others segment.

As a result, net sales increased ¥4,633 million, or 5.5%, from the previous fiscal year to ¥89,580 million.

Ongoing efforts to reduce costs led to a 0.7 percentage point decline in the cost-of-sales ratio to 70.8%.

Gross profit rose 8.0% to ¥26,118 million, and the gross profit margin improved 0.7 percentage point to 29.2%.

Although selling, general and administrative (SG&A) expenses increased ¥1,191 million along with the growth in net sales, the SG&A-to-net-sales ratio increased 0.1 percentage point from the previous fiscal year to 22.9%.

As a result of these factors, operating income jumped 15.5% to ¥5,579 million. Net income rose 12.2% from the previous fiscal year to ¥3,202 million, and net income per share was ¥53.04.

Assets, Liabilities and Net Assets

Total assets at the end of fiscal 2009 amounted to ¥81,875 million, up ¥626 million, or 0.8%, from the previous fiscal year-end. Total current assets edged up ¥482 million, or 0.8%, from the previous fiscal year-end to ¥62,992 million.

Investments and advances declined ¥243 million, or 2.9%, to ¥8,174 million. The main factor underlying this decline was a decrease in investment in securities of ¥715 million, or 38.5%.

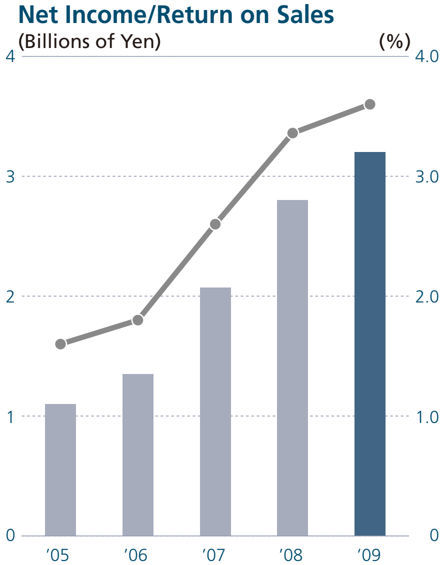
Property, plant and equipment rose ¥130 million, or 1.4%, to ¥9,538 million. The main factor for the increase was a rise in buildings and structures of ¥185 million, or 2.2%.

Total current liabilities and long-term liabilities declined ¥1,036 million, or 3.2%, from the previous fiscal year-end to ¥30,894 million.

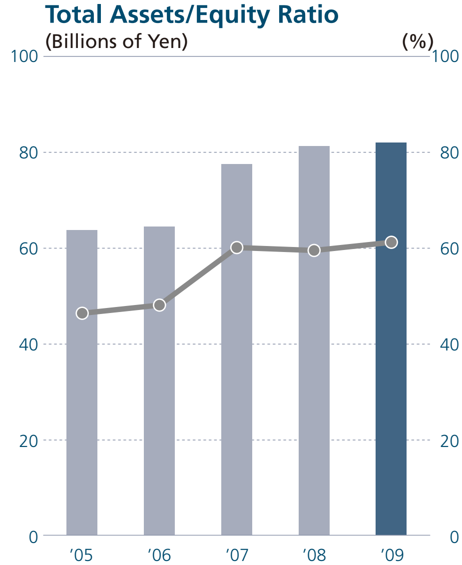
Interest-bearing debt totaled ¥34 million due to a rise in short-term debt of ¥14 million, or 70.0%, from the previous fiscal year-end.

Total net assets increased ¥1,662 million, or 3.4%, from the end of the previous fiscal year to ¥50,981 million. The equity

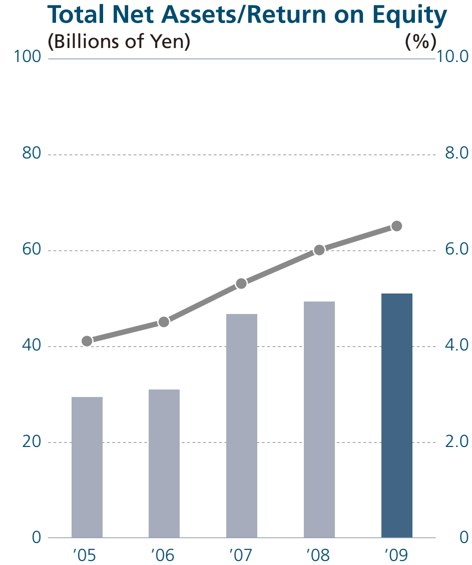
Net Income/Return on Sales



Total Assets/Equity Ratio



Total Net Assets/Return on Equity



ratio was 61.1%, up 1.7 percentage points from 59.4% at the end of the previous fiscal year. Net assets per share rose to ¥828.72 from ¥798.86 per share in fiscal 2008.

Cash Flow

Net cash provided by operating activities amounted to ¥2,601 million due primarily to ¥5,741 million in income before income taxes, a ¥1,171 million increase in depreciation and amortization, a ¥1,768 million decrease in receivables and a ¥2,612 million increase in inventories.

Net cash used in investing activities amounted to ¥2,075 million, consisting mainly of payments for purchase of property, plant and equipment.

Net cash used in financing activities amounted to ¥809 million due mainly to cash dividends paid.

As a result, net decrease in cash and cash equivalents was ¥319 million. Therefore, cash and cash equivalents at end of year totaled ¥16,857 million. This amount has been temporarily allocated for deposits and securities in preparation for future investments.

Outlook for Fiscal 2010

Economic conditions are expected to remain sluggish over the near term, creating an uncertain outlook for the fire protection industry. Fiscal 2010 marks the final year of our "Next Stage 21" medium-term business plan. After making necessary modifications to the business plan while closely monitoring the market environment and economic situation, we will strive to surmount these difficult circumstances by promoting specific strategies. Namely, we will implement such priority measures as "strengthening our position in the market for new and renovation-related installation work,""developing business in new markets," "introducing new products to the market," "raising quality and reducing costs," "utilizing Group synergies" and "undertaking initiatives to enhance internal control."

For fiscal 2010, ending March 31, 2010, we are forecasting consolidated net sales of ¥92,000 million and net income of ¥3,250 million. Although we foresee a difficult environment for orders, we are aiming for a ¥2,420 million increase in net sales by cultivating markets more deeply and drawing on our corporate strengths and the high quality of our products and services. Despite the uncertain economic environment, we have set the target of maintaining our cost-of-sales ratio at the current level. Regarding SG&A expenses, we will strive to implement vigorous cost-reduction measures and raise the SG&A-to-net-sales ratio. We expect operating income to remain on a par with fiscal 2009 and slight increases in ordinary income and net income. Accordingly, we plan to pay annual cash dividends per share of ¥15.00, which will include an interim cash dividend per share of ¥7.50 and a year-end cash dividend per share of ¥7.50.

Consolidated Statements of Income

Nohmi Bosai Ltd. and its Subsidiaries
For the years ended March 31, 2007, 2008 and 2009

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2007	2008	**2009**	**2009**
Net Sales	¥79,706	¥84,947	**¥89,580**	**$912,871**
Cost of Sales	57,681	60,770	**63,462**	**646,714**
Gross profit	22,025	24,177	**26,118**	**266,157**
Selling, General and Administrative Expenses	18,223	19,348	**20,539**	**209,304**
Operating income	3,802	4,829	**5,579**	**56,853**
Other Income (Expenses):				
Interest income	41	94	**106**	**1,080**
Interest expense	(68)	(8)	**(4)**	**(41)**
Dividend on insurance policies	45	25	**33**	**336**
Rental revenue	78	77	**76**	**774**
Loss on sale/disposal of property and equipment	(61)	(81)	**(120)**	**(1,223)**
Loss on write-off of investments in securities	—	—	**(66)**	**(673)**
Amortization of difference between investment costs and equity in net assets acquired	10	13	**15**	**153**
Equity in earnings of affiliates	44	115	**82**	**836**
Impairment loss on fixed assets (Note 6)	(32)	(122)	**—**	**—**
Other, net	(12)	(15)	**40**	**409**
	45	98	**162**	**1,651**
Income before income taxes	3,847	4,927	**5,741**	**58,504**
Income Taxes:				
Current (Note 11)	1,823	2,075	**2,079**	**21,186**
Deferred (Note 11)	(49)	(23)	**402**	**4,097**
	1,774	2,052	**2,481**	**25,283**
Minority Interests in Consolidated Subsidiaries	(6)	(21)	**(58)**	**(591)**
Net income	¥ 2,067	¥ 2,854	**¥ 3,202**	**$ 32,630**
	Yen			U.S. Dollars (Note 1)
Per Share (Note 2)**:**				
Net income—primary	¥ 43.44	¥ 47.26	**¥ 53.04**	**$ 0.54**
—fully diluted	—	—	**—**	**—**
Cash dividends	10.00	13.00	**15.00**	**0.15**
Weighted Average Number of Shares Issued (in thousands)	47,595	60,390	**60,374**	**—**

The accompanying notes are an integral part of the statements.

Consolidated Balance Sheets

Nohmi Bosai Ltd. and its Subsidiaries
As of March 31, 2008 and 2009

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2009	2009
Current Assets:			
Cash on hand and in banks	¥16,078	¥15,965	$162,692
Short-term investments (Note 5)	2,000	2,000	20,381
Trade receivables:			
Notes	6,745	6,323	64,435
Accounts	21,627	20,120	205,034
Unconsolidated subsidiaries and affiliates	151	162	1,651
	28,523	26,605	271,120
Less: Allowance for bad debts	(313)	(200)	(2,038)
	28,210	26,405	269,082
Inventories (Notes 3 and 7)	13,764	16,232	165,413
Deferred tax assets (Note 11)	1,838	1,844	18,791
Prepaid expenses and other current assets	620	546	5,565
Total current assets	62,510	62,992	641,924
Investments and Advances:			
Investments in securities (Note 5)	1,859	1,144	11,658
Investments in and advances to unconsolidated subsidiaries and affiliates	1,459	1,603	16,335
Loans to employees	110	91	927
Long-term receivables	30	55	560
Deferred tax assets (Note 11)	2,198	2,087	21,268
Other investments and advances	2,918	3,423	34,883
	8,574	8,403	85,631
Less: Allowance for bad debts	(157)	(229)	(2,333)
Total investments and advances	8,417	8,174	83,298
Property, Plant and Equipment:			
Buildings and structures	8,086	8,271	84,286
Machinery and equipment	2,745	2,356	24,009
Tools and furniture	6,089	6,069	61,847
	16,920	16,696	170,142
Less: Accumulated depreciation	(11,191)	(10,849)	(110,558)
	5,729	5,847	59,584
Construction in progress	230	120	1,223
Land	3,449	3,571	36,391
	9,408	9,538	97,198
Intangibles	914	1,171	11,932
Total assets	¥81,249	¥81,875	$834,352

The accompanying notes are an integral part of the statements.

LIABILITIES AND NET ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2009	2009
Current Liabilities:			
Short-term debt (Note 8)	¥ 20	¥ 34	$ 346
Trade payables:			
Notes	3,243	1,823	18,577
Accounts	5,123	6,013	61,276
Unconsolidated subsidiaries and affiliates	2,222	1,621	16,519
	10,588	9,457	96,372
Non-trade accounts payable	4,683	4,756	48,466
Advances received on uncompleted construction contracts	3,101	3,781	38,531
Accrued bonuses to employees	2,943	3,090	31,489
Accrued warranty costs	58	58	591
Income taxes payable (Note 11)	1,940	1,649	16,804
Other current liabilities	1,729	1,478	15,062
Total current liabilities	25,062	24,303	247,661
Long-term Liabilities:			
Long-term debt (Note 8)	357	366	3,730
Accrued retirement benefits (Note 9)	5,860	5,578	56,843
Directors' and corporate auditors' retirement benefits	595	594	6,053
Other long-term liabilities	21	26	265
Difference between investment costs and equity in net assets acquired	35	27	275
Total long-term liabilities	6,868	6,591	67,166
Contingent liabilities (Note 12)			
Net Assets (Note 13)			
Common stock;			
Authorized: 160,000,000 shares at March 31, 2008 and 2009			
Issued: 60,832,771 shares at March 31, 2008 and 2009	13,302	13,302	135,555
Capital surplus	12,745	12,745	129,879
Retained earnings	21,883	24,277	247,396
Less treasury stock, at cost			
448,014 shares and 470,747 shares at March 31, 2008 and 2009	(214)	(234)	(2,385)
Unrealized gains (losses) on securities, net of taxes	321	(68)	(693)
Foreign currency translation adjustments	203	1	10
Minority interests	1,079	958	9,763
Total net assets	49,319	50,981	519,525
	¥81,249	¥81,875	$834,352

The accompanying notes are an integral part of the statements.

Consolidated Statements of Changes in Net Assets

Nohmi Bosai Ltd. and its Subsidiaries
For the years ended March 31, 2007, 2008 and 2009

	Thousands	Millions of Yen							
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on securities, net of taxes	Foreign currency translation adjustments	Minority interests	Total
Shareholders' equity at March 31, 2006 as previously reported	42,332	¥ 6,272	¥5,714	¥18,069	¥ (194)	¥ 936	¥ 141	¥ —	¥30,938
Reclassification due to adoption of new accounting standards for presentation of net assets in the balance sheet at April 1, 2006								144	144
Net assets at April 1, 2006	42,332	¥ 6,272	¥5,714	¥18,069	¥ (194)	¥ 936	¥ 141	¥ 144	¥31,082
New issue of stocks	18,500	7,030	7,030						14,060
Net income				2,067					2,067
Cash dividends paid				(420)					(420)
Directors' and corporate auditors' bonuses				(82)					(82)
Acquisition of treasury stock					(10)				(10)
Gain on sales of treasury stock			0		0				0
Net changes during the year						(91)	40	0	(51)
Balance at March 31, 2007	60,832	¥13,302	¥12,744	¥19,634	¥ (204)	¥ 845	¥ 181	¥ 144	¥46,646
Net income				2,854					2,854
Cash dividends paid				(605)					(605)
Acquisition of treasury stock					(11)				(11)
Gain on sales of treasury stock			1		1				2
Net changes during the year						(524)	22	935	433
Balance at March 31, 2008	**60,832**	**¥13,302**	**¥12,745**	**¥21,883**	**¥ (214)**	**¥ 321**	**¥ 203**	**¥ 1,079**	**¥49,319**
Effect of changes in accounting policies applied to foreign subsidiaries				**(21)**					**(21)**
Net income				**3,202**					**3,202**
Cash dividends paid				**(787)**					**(787)**
Acquisition of treasury stock					**(21)**				**(21)**
Gain on sales of treasury stock			**0**		**1**				**1**
Net changes during the year						**(389)**	**(202)**	**(121)**	**(712)**
Balance at March 31, 2009	**60,832**	**¥13,302**	**¥12,745**	**¥24,277**	**¥ (234)**	**¥ (68)**	**¥ 1**	**¥ 958**	**¥50,981**

	Thousands of U.S. Dollars (Note 1)							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on securities, net of taxes	Foreign currency translation adjustments	Minority interests	Total
Balance at March 31, 2008	**$135,555**	**$129,879**	**$223,000**	**$(2,181)**	**$3,271**	**$2,068**	**$10,996**	**$502,588**
Effect of changes in accounting policies applied to foreign subsidiaries			**(214)**					**(214)**
Net income			**32,630**					**32,630**
Cash dividends paid			**(8,020)**					**(8,020)**
Acquisition of treasury stock				**(214)**				**(214)**
Gain on sales of treasury stock		**0**		**10**				**10**
Net changes during the year					**(3,964)**	**(2,058)**	**(1,233)**	**(7,255)**
Balance at March 31, 2009	**$135,555**	**$129,879**	**$247,396**	**$(2,385)**	**$ (693)**	**$ 10**	**$ 9,763**	**$519,525**

The accompanying notes are an integral part of the statements.

Consolidated Statements of Cash Flows

Nohmi Bosai Ltd. and its Subsidiaries
For the years ended March 31, 2007, 2008 and 2009

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2007	2008	**2009**	**2009**
Cash Flows from Operating Activities:				
Income before income taxes	¥ 3,847	¥ 4,927	**¥ 5,741**	**$ 58,504**
Adjustments for:				
Depreciation and amortization	899	1,009	**1,171**	**11,933**
Impairment loss	32	122	**—**	**—**
Amortization of difference between investment costs and equity in net assets acquired	(10)	(13)	**(15)**	**(153)**
Decrease in allowance for bad debts	(55)	(177)	**(37)**	**(377)**
Decrease in accrued retirement benefits	(635)	(368)	**(311)**	**(3,169)**
Increase in accrued bonuses	690	662	**151**	**1,539**
Increase (decrease) in accrued warranty costs	(4)	4	**1**	**10**
Interest and dividend income	(70)	(130)	**(144)**	**(1,467)**
Interest expenses	68	8	**4**	**41**
Equity in earnings of affiliates	(44)	(115)	**(82)**	**(836)**
Loss on sales/disposal of property, plant and equipment	61	81	**120**	**1,223**
Decrease (increase) in receivables	(5,039)	1,145	**1,768**	**18,017**
Decrease (increase) in inventories	(2,365)	161	**(2,612)**	**(26,618)**
Increase (decrease) in payables	1,698	384	**(1,073)**	**(10,934)**
Increase (decrease) in advance received on uncompleted construction contracts	1,036	(202)	**680**	**6,930**
Directors' bonuses paid	(84)	—	**—**	**—**
Other, net	419	172	**(533)**	**(5,432)**
Subtotal	444	7,670	**4,829**	**49,211**
Interest and dividend income received	72	133	**148**	**1,508**
Interest expenses paid	(79)	(7)	**(4)**	**(41)**
Income taxes paid	(1,275)	(2,062)	**(2,372)**	**(24,172)**
Net cash provided by (used in) operating activities	(838)	5,734	**2,601**	**26,506**
Cash Flows from Investing Activities:				
Decrease (increase) in time deposits	11	(311)	**(264)**	**(2,690)**
Payments for purchase of property, plant and equipment	(963)	(1,201)	**(1,722)**	**(17,548)**
Proceeds from sales of property, plant and equipment	7	0	**8**	**82**
Payments for purchase of investments in securities	(56)	(16)	**(30)**	**(306)**
Proceeds from sales of investments in securities	1	12	**4**	**41**
Proceeds from purchases of subsidiaries, net of cash paid	—	14	**—**	**—**
Increase of loans receivable	(26)	(35)	**(32)**	**(326)**
Decrease of loans receivable	146	92	**83**	**846**
Other, net	29	(387)	**(122)**	**(1,244)**
Net cash used in investing activities	(851)	(1,832)	**(2,075)**	**(21,145)**
Cash Flows from Financing Activities:				
Decrease in short-term debt	(145)	(115)	**14**	**143**
Repayments of bonds	(6,000)	—	**—**	**—**
Proceeds from issuance of stock	14,060	—	**—**	**—**
Cash dividends paid	(420)	(605)	**(787)**	**(8,020)**
Cash dividends paid to minority stockholders	(3)	(3)	**(16)**	**(163)**
Payments for purchase of treasury stock	(10)	(9)	**(19)**	**(194)**
Other, net	—	—	**(1)**	**(10)**
Net cash provided by (used in) financing activities	7,482	(732)	**(809)**	**(8,244)**
Effect of exchange rate changes on cash and cash equivalents	—	(11)	**(36)**	**(368)**
Net increase (decrease) in cash and cash equivalents	5,793	3,159	**(319)**	**(3,251)**
Cash and cash equivalents at beginning of year	8,224	14,017	**17,176**	**175,033**
Cash and cash equivalents at end of year (Note 4)	¥ 14,017	¥ 17,176	**¥16,857**	**$ 171,782**

The accompanying notes are an integral part of the statements.

1. Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements of Nohmi Bosai Ltd. (the "Company") and its consolidated subsidiaries (the "Companies") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of consolidated overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. As discussed in Note 3 (3), the accounts of consolidated overseas subsidiaries for the year ended March 31, 2009 are prepared in accordance with International Financial Reporting Standards with adjustments for the specified six items as applicable.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.13 to U.S.$1. The convenience translation should not be construed as representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Scope of Consolidation and Elimination

The Company had 29 subsidiaries at March 31, 2009 (28 at March 31, 2008). The consolidated financial statements include the accounts of the Company and 23 subsidiaries at March 31, 2009 (23 at March 31, 2008).

The 23 major subsidiaries which have been consolidated with the Company are listed as follows:

	Equity ownership percentage
Nohmi Setsubi Co., Ltd.	100.0%
Ichibou Co., Ltd.	73.2%
Fukuoka Nohmi Co., Ltd.	100.0%
Chiyoda Service Co., Ltd.	70.0%
Bosai Engineering Co., Ltd.	100.0%
Nohmi System Co., Ltd.	100.0%
Iwate Nohmi Co., Ltd.	100.0%
Tohoku Bosai Plant Co., Ltd.	100.0%
Aomori Nohmi Co., Ltd.	100.0%
Osaka Nohmi Co., Ltd.	100.0%
NISSIN BOHSAI Co., Ltd.	100.0%
Chiba Nohmi Co., Ltd.	100.0%
Shikoku Nohmi Co., Ltd.	100.0%
Nohmi Techno Engineering Co., Ltd.	100.0%
Akita Nohmi Co., Ltd.	100.0%
Kyushu Nohmi Engineering Co., Ltd.	100.0%
Fukushima Nohmi Co., Ltd.	100.0%
Tohoku Nohmi Co., Ltd.	100.0%
Nohmi Plant Niigata Co., Ltd.	100.0%
Hokkaido Nohmi Co., Ltd.	100.0%
Yashima Bosai Setsubi Co., Ltd.	75.5%
Nohmi Taiwan Ltd.	52.0%
Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.	60.0%

Nohmi Taiwan Ltd. and Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd. became consolidated subsidiaries from equity method affiliates in the year ended March 31, 2008, and thus are included in the scope of consolidation.

The accounts of the remaining 6 unconsolidated subsidiaries had insignificant amounts of total assets, net sales, net income and retained earnings and therefore have been excluded from consolidation.

(2) Elimination of Intercompany Accounts

For the purposes of preparing the consolidated financial statements, all significant intercompany transactions, account balances and unrealized profits among the Companies have been entirely eliminated, and the portion attributable to minority interests is charged/credited to "Minority interests."

The assets and liabilities of consolidated subsidiaries are incorporated into the financial statements at fair value and the difference between net assets at fair value and investment amount are amortized over a five-year period on a straight-line basis.

(3) Investments in Unconsolidated Subsidiaries and Affiliates

At March 31, 2009, the Company had 4 affiliates (4 for 2008). Investments in unconsolidated subsidiaries and affiliates are generally accounted for by the equity method, by which such investments are carried at cost and are adjusted for equity in the unconsolidated earnings (deficit). The Company's net income includes its equity in the net income (loss) of the unconsolidated subsidiaries and affiliates after cash dividends received and elimination of intercompany profits.

The equity method is applied to the investments in 1 affiliate in the consolidated financial statements.

However, the remaining 6 subsidiaries and 3 affiliates do not have a material effect on "Net income (loss)" or "Retained earnings" in the consolidated financial statements. Accordingly the investments in the unconsolidated 6 subsidiaries and 3 affiliates are carried at cost.

(4) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash in hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and which represent minor risk of fluctuations in value.

(5) Inventories

Prior to April 1, 2008, inventories of the Company and consolidated domestic subsidiaries are stated at cost determined by the following methods according to inventory item:

Products and raw materials.......Average cost method

Work in progress and cost of construction contracts in progress ....Individually identified cost method

As discussed in Note 3 (4), effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted a new accounting standard for measurement of inventories and stated the inventories at the lower of weighted-average cost or net realizable value at March 31, 2009.

Inventories of consolidated foreign subsidiaries are stated at the lower of weighted-average cost or market.

(6) Financial Instruments

Securities

Securities held by the Company and its subsidiaries are, in accordance with Japanese Accounting Standards, classified into four categories:

Trading securities, which are held for the purpose of generating profits on short-term differences in prices, are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise.

Held-to-maturity debt securities, that the Company and its subsidiaries intend to hold to maturity, are stated at cost after accounting for premium or discount on acquisition, which is amortized over the period to maturity.

Investments of the Company in equity securities issued by unconsolidated subsidiaries and affiliates are accounted for by the equity method.

Other securities for which market quotations are available are stated at fair value. If fair value is not available, other securities are stated at moving average cost.

(7) Property, Plant and Equipment

Property, plant and equipment are stated at cost.

Depreciation is computed using the straight-line method, over the estimated useful lives of the assets as prescribed by Japanese corporate income tax laws.

Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries changed the useful lives of machinery and equipment from 10 years to 8 years based on the reassessment of the useful lives in light of the change in the Corporation Tax Code of Japan.

The effect on net income of this change was not material.

Effective from the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries changed their depreciation method for tangible fixed assets acquired on or after April 1, 2007 in accordance with the revision of Japanese Corporate Tax Law (Partial Revision of Income Tax Law, Law No. 6 of March 30, 2007; Partial Revision of Income Tax Law Enforcement Ordinance, Cabinet Order No. 83 of March 30, 2007). The effect of this change on consolidated operating income and income before income taxes for the year ended March 31, 2008 was immaterial.

Pursuant to an amendment to the Japanese Corporate Tax Law, effective from the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries depreciate the difference between the original residual value of 5% of acquisition cost of assets acquired before April 1, 2007 and the new residual value of 1 yen (memorandum value) by the straight-line method over 5 years commencing from the fiscal year following the year in which the asset becomes fully depreciated to the original residual value. Depreciated amounts are included in depreciation expenses. As a result of this change, operating income declined ¥60 million, and income before income taxes declined ¥61 million for the year ended March 31, 2008.

(8) Amortization

With respect to intangible fixed assets, amortization of software is computed using the straight-line method over the expected useful life of the software (5 years).

Amortization of intangible fixed assets and deferred charges other than software is computed using the straight-line method in accordance with Japanese income tax laws.

(9) Allowance for Bad Debts

In accordance with Japanese Accounting Standards for Financial Instruments, future credit losses on receivables are estimated by the following classification of receivables:

Receivables from debtors who are not in serious financial difficulty are called "normal receivables." The allowance for doubtful accounts against normal receivables is estimated by applying the historical credit loss rates, on another appropriate basis, or on a disaggregated basis by category of similar receivables.

Receivables from debtors who have not gone into bankruptcy, but who are or probably would be in serious financial difficulty if they had to repay debts are called "doubtful receivables." The allowance for doubtful accounts against these doubtful receivables is estimated by first deducting future cash inflows to be generated from foreclosure or guarantors from the recorded receivable amount, and then considering the debtor's financial condition and operating results to determine the remaining amount.

Receivables from debtors who have either gone into bankruptcy or are substantially insolvent are called "failed receivables." The allowance for doubtful accounts against failed receivables and other similar receivables is estimated as the recorded receivables amount less cash inflows from foreclosures or guarantors.

(10) Accrued Warranty Costs

Accrued warranty costs have been provided by the Company and its consolidated subsidiaries for the cost of warranties on completed construction contracts estimated to be incurred subsequent to year-end dates. In estimating the accrued costs of warranties, the formula prescribed by the Japanese corporate income tax laws is applied, primarily based on past experience.

(11) Accounting for Leases

The Company and consolidated domestic subsidiaries account for finance leases commencing prior to April 1, 2008 which do not transfer the ownership of the leased property to the lessee as operating leases with disclosures of certain "as if capitalized" information. As discussed in Note 3 (5), the Company and consolidated domestic subsidiaries adopted a new accounting standard and capitalized finance leases which commenced after March 31, 2008, except for certain immaterial or short-term finance leases, which are accounted for as operating leases.

(12) Income Taxes

Income taxes consist of corporation, enterprise and inhabitant taxes.

In accordance with accounting standards for deferred taxes, the Company and its consolidated subsidiaries adopted the deferred tax assets and liability approach which is used to recognize deferred tax assets.

(13) Accrued Retirement Benefits

In accordance with Japanese Accounting Standards for Accrued Retirement Benefits, accrued retirement benefits represent the estimated present value of projected benefit obligations in excess of fair value of the plan assets.

Any unrecognized actuarial differences are amortized on a straight-line basis over the period of 10 years from the next year in which they arise.

(14) Directors' and Corporate Auditors' Retirement Benefits

Retirement benefits for directors and corporate auditors are provided for at an amount based upon internal rules at the balance sheet date.

(15) Research and Development Expenses

Research and development expenses are charged to income as incurred.

(16) Foreign Currency Translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing on the respective balance sheet dates, and resulting exchange gains or losses are included in net income or loss for the period.

Assets and liabilities, and revenues and expenses of overseas consolidated subsidiaries are translated into Japanese yen at the rate of exchange as of the balance sheet date, and a comprehensive adjustment resulting from translation is presented as "Foreign currency translation adjustments" and "Minority interests" in a component of net assets.

(17) Net Income and Dividends per Share

Net income per share of common stock is based upon the weighted average number of shares of common stock outstanding during each year. Net income per share adjusted for dilution is computed on the assumption of full conversion of all convertible bonds of the Company outstanding, with a related reduction in interest expenses. Cash dividends per share shown for each period in the accompanying consolidated statements of income represent dividends declared as applicable to the respective periods.

(18) Reclassification

Certain reclassifications of previously reported data have been made to conform with current classifications.

3. Accounting Change

(1) Accounting Standards for Presentation of Net Assets in the Balance Sheet

Effective from the year ended March 31, 2007, the Companies adopted the new accounting standard, "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Statement No. 5 issued by the Accounting Standards Board of Japan on December 9, 2005), and the implementation guidance for the accounting standard for presentation of net assets in the balance sheet (the Financial Accounting Standard Implementation Guidance No. 8 issued by the Accounting Standards Board of Japan on December 9, 2005), (collectively, "the New Accounting Standards").

The consolidated balance sheet as of March 31, 2007 prepared in accordance with the New Accounting Standards comprises three sections, which are the assets, liabilities and net assets sections. The consolidated balance sheet as of March 31, 2006 prepared pursuant to the previous presentation rules comprises the assets, liabilities, minority interests and shareholders' equity sections.

The adoption of the New Accounting Standards had no impacts on the consolidated statement of income for the year ended March 31, 2007. Also, if the New Accounting Standards had not been adopted at March 31, 2007, stockholders' equity amounting to ¥46,501 million would have been presented.

(2) Accounting Standard for Statement of Changes in Net Assets

Effective from the year ended March 31, 2007, the Companies adopted the new accounting standard, "Accounting Standard for Statement of Changes in Net Assets" (Statement No. 6 issued by the Accounting Standards Board of Japan on December 27, 2005), and the implementation guidance for the accounting standard for statement of changes in net assets (the Financial Accounting Standard Implementation Guidance No. 9 issued by the Accounting Standards Board of Japan on December 27, 2005), (collectively, "the Additional New Accounting Standards").

The Company prepared the accompanying consolidated statement of changes in net assets for the year ended March 31, 2007 in accordance with the Additional New Accounting Standards.

(3) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

On March 17, 2006, the Accounting Standards Board of Japan issued Practical Issues Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"("PITF No. 18"). PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries' financial statements prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles. In this case, adjustments for the following six items are required in the consolidation process so that their impact on net income is accounted for in accordance with Japanese GAAP unless the impact is not material.

(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties, and revaluation of property, plant and equipment and intangible assets
(e) Retrospective treatment of a change in accounting policies
(f) Accounting for net income attributable to minority interests

There were no material effects as a result of the adoption of PITF No. 18 on the consolidated financial statements for the year ended March 31, 2009.

(4) New Accounting Standard for Inventories

On July 5, 2006, the Accounting Standards Board of Japan issued Statement No. 9, "Accounting Standard for Measurement of Inventories." As permitted under the superseded accounting standard, the Company and consolidated domestic subsidiaries previously stated inventories at cost. The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value. Replacement cost may be used in lieu of the net realizable value, if appropriate.

The adoption of the new accounting standard had no material effects on the consolidated financial statements for the year ended March 31, 2009.

(5) New Accounting Standard for Lease Transactions as Lessee

Prior to the year ended March 31, 2009, the Company and consolidated domestic subsidiaries accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain "as if capitalized" information in the notes to the consolidated financial statements.

On March 31, 2007, the Accounting Standards Board of Japan issued Statement No. 13, "Accounting Standard for Lease Transactions," and Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions." The new accounting standards require that all finance lease transactions be treated as capital leases.

Effective from the year ended March 31, 2009, the Company and consolidated domestic subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain "as if capitalized" information.

The adoption of the new accounting standard had no material effects on the consolidated financial statements for the year ended March 31, 2009.

4. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

	Millions of Yen			Thousands of U.S. Dollars
	2007	2008	**2009**	**2009**
Cash and bank deposits	¥12,216	¥16,078	**¥15,965**	**$162,692**
Short-term investments	2,000	2,000	**2,000**	**20,381**
Total	14,216	18,078	**17,965**	**183,073**
Time deposits with deposit terms of over three months	(199)	(902)	**(1,108)**	**(11,291)**
Cash and cash equivalents	¥14,017	¥17,176	**¥16,857**	**$171,782**

5. Securities

The following tables summarize the acquisition costs, book values and fair values of securities with available fair values as of March 31, 2008 and 2009.

Available-for-sale securities

Securities with book value exceeding acquisition costs

	Millions of Yen		
	2008		
	Acquisition Cost	Book Value	Difference
Equity securities	¥ 679	¥ 1,358	¥ 679

	Millions of Yen		
	2009		
	Acquisition Cost	Book Value	Difference
Equity securities	**¥ 382**	**¥ 493**	**¥ 111**

	Thousands of U.S. Dollars		
	2009		
	Acquisition Cost	Book Value	Difference
Equity securities	**$ 3,893**	**$ 5,024**	**$ 1,131**

Securities with book value not exceeding acquisition cost

	Millions of Yen		
	2008		
	Acquisition Cost	Book Value	Difference
Equity securities	¥ 526	¥ 377	¥ (149)

	Millions of Yen		
	2009		
	Acquisition Cost	Book Value	Difference
Equity securities	**¥ 775**	**¥ 528**	**¥ (247)**

	Thousands of U.S. Dollars		
	2009		
	Acquisition Cost	Book Value	Difference
Equity securities	**$ 7,898**	**$ 5,381**	**$ (2,517)**

The following tables summarize book value of securities with no available fair market values as of March 31, 2008 and 2009.

Available-for-sale securities

	Millions of Yen		Thousands of U.S. Dollars
	2008	**2009**	**2009**
Non-listed equity securities	¥ 125	**¥ 123**	**$ 1,253**
Negotiable certificate of deposit	2,000	**2,000**	**20,381**
	¥ 2,125	**¥ 2,123**	**$ 21,634**

Available-for-sale securities with maturities and held-to-maturity debt securities are as follows

	Millions of Yen	
	2008	
	Within 1 year	Over 1 year but within 5 years
Negotiable certificate of deposit	¥ 2,000	¥ —

	Millions of Yen	
	2009	
	Within 1 year	Over 1 year but within 5 years
Negotiable certificate of deposit	**¥ 2,000**	**¥ —**

	Thousands of U.S. Dollars	
	2009	
	Within 1 year	Over 1 year but within 5 years
Negotiable certificate of deposit	**$20,381**	**$ —**

6. Impairment Loss on Fixed Assets

The Companies have recognized impairment loss of ¥32 million for the following group of assets as of March 31, 2007.

Location	Use	Category
Shiga factory (Konan City, Shiga Prefecture)	For business	Buildings and structures, Other

The Companies assessed impairment of each group of assets, which are grouped on the basis of managerial accounting and investment decision-making purposes.

The Shiga factory was set to be closed in the next consolidated fiscal year due to its low profitability caused by fierce competition in the domestic market. The collectability was not realized.

As a result, the full amount of book value as of the end of the current consolidated fiscal year was recorded as a ¥32 million impairment loss, which included ¥32 million on buildings and others.

The Companies have recognized impairment loss of ¥122 million for the following group of assets as of March 31, 2008.

Location	Use	Category
Menuma factory (Kumagaya City, Saitama Prefecture)	For business	Buildings and structures, Other
Kobe City, Hyogo Prefecture	For lease	Land, Buildings and structures, Other

The Companies assessed impairment of each group of assets, which are grouped on the basis of managerial accounting and investment decision-making purposes.

The Company recognized impairment losses amounted to ¥107 million on the assets for businesses, as the Company planned to dispose a part of existing equipment in accordance with the production base restructuring plan of the factory, which is for the purpose of maintaining the quality of products and competitiveness with regard to productivity. Items included in the amount of impairment losses on buildings amounted to ¥106 million and others amounted to ¥1 million. The collectible amount is measured by net sale value and calculated on the disposable value.

The Company recognized impairment losses amounted to ¥15 million on the assets for rentals because of the continuous decreases of land prices. Items included in the amount of impairment losses on buildings amounted to ¥9 million and land amounted to ¥6 million. The collectible amount is measured based on the usable value and calculated based on the discounted future cash flow by 5.6%.

7. Inventories

Inventories consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	**2009**	**2009**
Products	¥ 2,161	**¥ 2,357**	**$ 24,019**
Raw materials	3,700	**3,648**	**37,175**
Work in progress	1,041	**940**	**9,579**
Cost of construction contracts in progress	6,862	**9,287**	**94,640**
	¥ 13,764	**¥ 16,232**	**$165,413**

8. Short-term Debt and Long-term Debt

Short-term debt at March 31, 2009, bore interest at annual rates ranging from 1.875% to 4.05% and was represented generally by bank overdrafts, and short-term notes maturing at various dates within one year.

It is the normal business custom in Japan for short-term borrowings to be rolled over each year.

Long-term debt at March 31, 2008 and 2009 comprised the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	**2009**	**2009**
Guarantee deposits received	¥ 357	**¥ 366**	**$ 3,730**
Total long-term debt	¥ 357	**¥ 366**	**$ 3,730**

9. Accrued Retirement Benefits and Pension Plan

The composition of amounts recognized in the consolidated balance sheets at March 31, 2008 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	**2009**	**2009**
Benefit obligations at end of year	¥(11,197)	**¥(10,778)**	**$(109,833)**
Fair value of plan assets at end of year	4,825	**4,459**	**45,439**
Funded status	(6,372)	**(6,319)**	**(64,394)**
Unrecognized actuarial losses	815	**1,506**	**15,347**
Net amount recognized	(5,557)	**(4,813)**	**(49,047)**
Prepaid pension expenses	303	**765**	**7,796**
Accrued retirement benefits	¥ (5,860)	**¥ (5,578)**	**$ (56,843)**

The components of net pension and employees' severance costs for the years ended March 31, 2007, 2008 and 2009 were as follows:

	Millions of Yen			Thousands of U.S. Dollars
	2007	2008	**2009**	**2009**
Service costs	¥546	¥649	**¥591**	**$6,023**
Interest costs	258	272	**260**	**2,650**
Expected return on plan assets	(85)	(109)	**(109)**	**(1,111)**
Recognized actuarial loss	69	97	**138**	**1,406**
Extra severance costs	17	16	**19**	**194**
Net periodic benefit costs	¥805	¥925	**¥899**	**$9,162**

Assumptions used as of March 31, 2008 and 2009, were as follows:

	2008	**2009**
Discount rate	2.5%	**2.5%**
Expected rate of return on plan assets	2.5%	**2.5%**

10. Accounting for Leases

The Companies have various lease agreements whereby the Companies act as both lessee and lessor. The Companies' finance lease contracts are not deemed to transfer the ownership of the leased assets. Certain key information on such lease contracts of the Companies for the years ended March 31, 2008 and 2009 was as follows:

As a lessee:

Assumed data as to acquisition cost, accumulated depreciation, net book value and depreciation expense of the leased assets, including the portion of interest thereon, was summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	**2009**	**2009**
Machinery and equipment	¥ 17	**¥ 13**	**$ 132**
Tools and furniture	106	**77**	**785**
Others	19	**16**	**163**
	142	**106**	**1,080**
Less: Accumulated depreciation	(93)	**(79)**	**(805)**
Net book value	¥ 49	**¥ 27**	**$ 275**
Depreciation	¥ 25	**¥ 22**	**$ 224**

Depreciation is based on the straight-line method over the lease term of the leased assets assuming no residual value.

The scheduled maturities of future lease rental payments on such lease contracts as of March 31, 2008 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Due within one year	¥ 22	¥ 17	$ 173
Due over one year	27	10	102
	¥ 49	¥ 27	$ 275
Lease rental expenses for the year	¥ 25	¥ 22	$ 224

As lessor:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Leased tools and furniture:			
Purchase cost	¥ 117	¥ 109	$ 1,111
Accumulated depreciation	(100)	(95)	(968)
Net book value	¥ 17	¥ 14	$ 143

The scheduled maturities of future lease rental income on such lease contracts as of March 31, 2008 and 2009 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Due within one year	¥ 31	¥ 27	$ 275
Due over one year	92	65	662
	¥ 123	¥ 92	$ 937
Lease rental revenue for the year	¥ 32	¥ 31	$ 316
Depreciation for the year	¥ 3	¥ 3	$ 31

11. Income Taxes

At March 31, 2008 and 2009, significant components of deferred tax assets and liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Deferred tax assets:			
Accrued employees retirement benefits	¥ 2,258	¥ 1,947	$ 19,841
Accrued bonuses	1,189	1,250	12,738
Directors' retirement allowance	242	242	2,466
Loss on write-off of fixed assets	164	200	2,038
Accrued enterprise taxes	198	154	1,569
Accrued legal welfare expense	124	133	1,355
Loss on write-off of inventories	32	106	1,080
Allowance for losses on construction contracts	114	98	999
Other	417	419	4,271
Subtotal	4,738	4,549	46,357
Valuation allowance	(418)	(550)	(5,605)
Total	¥ 4,320	¥ 3,999	$ 40,752
Deferred tax liabilities:			
Unrealized gains on securities	¥ (216)	¥ —	$ —
Other	(68)	(68)	(693)
Total	¥ (284)	¥ (68)	$ (693)
Net deferred tax assets	¥ 4,036	¥ 3,931	$ 40,059

Income taxes applicable to the Company and its domestic subsidiaries consist of corporation, inhabitants' and enterprise taxes. The statutory income tax rate is approximately 40.7% for the years ended March 31, 2008 and 2009.

A reconciliation of the statutory tax rate and the effective tax rate as a percentage of income before income taxes for the years ended March 31, 2008 and 2009 was follows:

	2009
Statutory tax rate	40.7%
Adjustments:	
Entertainment expenses and other non-deductible expenses	2.6
Dividend income non-taxable	(0.7)
Per capital levy of local resident income taxes	1.4
Tax credit of R&D expenses	(2.3)
Valuation allowance	2.3
Other factors	(0.8)
Effective tax rate	43.2%

Since the difference between the statutory tax rate and effective tax rate for the fiscal year ended March 31, 2008 is less than 5%, a reconciliation of these two rates is not presented.

12. Contingent Liabilities

The Companies were contingently liable for trade notes endorsed for payment to third parties in the ordinary course of business in the amount of ¥80 million ($815 thousand) and performance guarantees made for unconsolidated subsidiary of ¥6 million ($61 thousand) at March 31, 2009.

13. Net Assets

The Japanese Corporate Law ("the Law") became effective on May 1, 2006, replacing the Japanese Commercial Code ("the Code"). The Law is generally applicable to events and transactions occurring after April 30, 2006 and for fiscal years ending after that date.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholders' meeting. Under the Law, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 25, 2009, the shareholders approved cash dividends amounting to ¥605 million ($6,165 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2009. Such appropriations are recognized in the period in which they are approved by the shareholders.

14. Segment Information

The Companies operate principally in the following four industrial segments:

Fire alarm systems	fire alarms and bells; heat, smoke and gas detectors
Fire extinguishing systems	sprinklers and fire extinguishers
Maintenance services	maintenance and inspection services
Others	construction and maintenance of parking spaces and sales of other products

The sales of the consolidated subsidiaries located in countries or regions other than Japan are not presented due to their insignificant effect.

	Millions of Yen						
	2007						
	Fire alarm systems	Fire extinguishing systems	Maintenance services	Others	Total	Corporate and Elimination	Consolidated
Net sales:							
Outside customers	¥ 33,722	¥ 20,600	¥ 20,505	¥ 4,879	¥ 79,706	¥ —	¥ 79,706
Inter-segment	71	114	1	27	213	(213)	—
Total	33,793	20,714	20,506	4,906	79,919	(213)	79,706
Operating expenses	29,855	19,804	16,806	4,551	71,016	4,888	75,904
Operating income	¥ 3,938	¥ 910	¥ 3,700	¥ 355	¥ 8,903	¥ (5,101)	¥ 3,802
Assets	¥ 28,392	¥ 18,730	¥ 9,021	¥ 1,948	¥ 58,091	¥ 19,353	¥ 77,444
Depreciation	¥ 400	¥ 100	¥ 82	¥ 18	¥ 600	¥ 299	¥ 899
Capital expenditure	¥ 490	¥ 105	¥ 74	¥ 31	¥ 700	¥ 314	¥ 1,014

Note: Corporate assets included in the Elimination line item were ¥19,353 million, consisting mainly of financial assets of the Company (cash and time deposits, short-term investments in securities and investments in securities), and assets related to administrative operations.

	Millions of Yen						
	2008						
	Fire alarm systems	Fire extinguishing systems	Maintenance services	Others	Total	Corporate and Elimination	Consolidated
Net sales:							
Outside customers	¥ 35,671	¥ 24,943	¥ 20,863	¥ 3,470	¥ 84,947	¥ —	¥ 84,947
Inter-segment	76	73	1	197	347	(347)	—
Total	35,747	25,016	20,864	3,667	85,294	(347)	84,947
Operating expenses	31,281	23,727	17,250	3,167	75,425	4,693	80,118
Operating income	¥ 4,466	¥ 1,289	¥ 3,614	¥ 500	¥ 9,869	¥ (5,040)	¥ 4,829
Assets	¥ 32,244	¥ 17,890	¥ 8,604	¥ 2,133	¥ 60,871	¥ 20,378	¥ 81,249
Depreciation	¥ 478	¥ 116	¥ 85	¥ 19	¥ 698	¥ 311	¥ 1,009
Impairment loss	¥ 93	¥ 9	¥ —	¥ 5	¥ 107	¥ 15	¥ 122
Capital expenditure	¥ 785	¥ 175	¥ 78	¥ 38	¥ 1,076	¥ 335	¥ 1,411

Note: Corporate assets included in the Elimination line item were ¥20,378 million, consisting mainly of financial assets of the Company (cash and time deposits, short-term investments in securities and investments in securities), and assets related to administrative operations.

	Millions of Yen						
	2009						
	Fire alarm systems	Fire extinguishing systems	Maintenance services	Others	Total	Corporate and Elimination	Consolidated
Net sales:							
Outside customers	¥ 38,995	¥ 24,823	¥ 21,144	¥ 4,618	¥ 89,580	¥ —	¥ 89,580
Inter-segment	61	167	1	200	429	(429)	—
Total	39,056	24,990	21,145	4,818	90,009	(429)	89,580
Operating expenses	33,694	23,614	17,702	4,477	79,487	4,514	84,001
Operating income	¥ 5,362	¥ 1,376	¥ 3,443	¥ 341	¥ 10,522	¥ (4,943)	¥ 5,579
Assets	¥ 31,592	¥ 20,871	¥ 7,891	¥ 3,423	¥ 63,777	¥ 18,098	¥ 81,875
Depreciation	¥ 567	¥ 147	¥ 94	¥ 50	¥ 858	¥ 313	¥ 1,171
Capital expenditure	¥ 976	¥ 211	¥ 86	¥ 102	¥ 1,375	¥ 283	¥ 1,658

Note: Corporate assets included in the Elimination line item were ¥18,098 million, consisting mainly of financial assets of the Company (cash and time deposits, short-term investments in securities and investments in securities), and assets related to administrative operations.

	Thousands of U.S. Dollars						
	2009						
	Fire alarm systems	Fire extinguishing systems	Maintenance services	Others	Total	Corporate and Elimination	Consolidated
Net sales:							
Outside customers	$ 397,381	$ 252,960	$ 215,469	$ 47,061	$ 912,871	$ —	$ 912,871
Inter-segment	622	1,702	10	2,038	4,372	(4,372)	—
Total	398,003	254,662	215,479	49,099	917,243	(4,372)	912,871
Operating expenses	343,361	240,640	180,393	45,624	810,018	46,000	856,018
Operating income	$ 54,642	$ 14,022	$ 35,086	$ 3,475	$ 107,225	$ (50,372)	$ 56,853
Assets	$ 321,940	$ 212,687	$ 80,414	$ 34,882	$ 649,923	$ 184,429	$ 834,352
Depreciation	$ 5,778	$ 1,498	$ 958	$ 510	$ 8,744	$ 3,189	$ 11,933
Capital expenditure	$ 9,946	$ 2,150	$ 876	$ 1,040	$ 14,012	$ 2,884	$ 16,896

Note: Corporate assets included in the Elimination line item were $184,429 thousand, consisting mainly of financial assets of the Company (cash and time deposits, short-term investments in securities and investments in securities), and assets related to administrative operations.

15. Related Party Information

Material transactions of the Company with related companies and individuals, excluding transactions with consolidated subsidiaries, which are eliminated in the consolidated financial statements, and other than those disclosed elsewhere in these financial statements, for the three years ended March 31, 2009, were as follows:

	As of March 31, 2009				Millions of Yen/Thousands of U.S. Dollars				
					Volume of transactions made in the year ended March 31			Resulting account balances as at March 31	
Name of related company	Paid in capital	Principal business	Equity ownership percentage by the Company	Description of the Company's transactions	2007	2008	2009	2008	2009
SECOM Incorporated	¥66,378 million	Security service	50.9%(*)	Sale of products	¥ 2,899	¥ 2,707	¥ 3,863 ($39,366)	Trade receivables ¥ 403	Trade receivables ¥ 353 ($3,597)
				Issued new shares through third-party stock allocation	¥ 14,060	¥ —	¥ —		
KOATSU Co., Ltd.	¥60 million	Fire extinguishing systems	20.8%	Purchase of raw materials	¥ 4,486	¥ 4,503	¥ 6,255 ($63,742)	Trade payables ¥ 2,153	Trade payables ¥ 2,752 ($28,044)

(*) The Company is a subsidiary of SECOM Incorporated.
The terms and conditions of the above transactions are the same as those of arm's-length transactions.

Independent Auditors' Report

To the Board of Directors of NOHMI BOSAI LTD.:

We have audited the accompanying consolidated balance sheets of NOHMI BOSAI LTD. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for each of the three years in the period ended March 31, 2009, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NOHMI BOSAI LTD. and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2009, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 25, 2009

Board of Directors and Corporate Auditors

(As of June 25, 2009)

Director/Corporate Counselor
Shoichi Kimura

Chairman
Tadashi Tanoue*

President
Takeshi Hashizume*

Senior Managing Director
Yushi Tayama

Managing Directors
Yukimasa Tachibana
Jun Uchiyama
Kazuo Kajita
Toshiyuki Mori

Directors
Koukei Higuchi†
Shuji Maeda†
Tsuneo Komatsuzaki
Michio Takeda
Makoto Sawano
Hajime Arai
Kiyotaka Fujii
Yoshinori Soda
Akira Igarashi
Hiroaki Ishii
Tatsunori Ito
Keiji Kageyama

Standing Corporate Auditors
Hiroshi Shiina
Shojiro Nohmi

Corporate Auditors
Takashi Yamashita
Tojiro Ishii
Mitsunori Shirakura

*Representative Director
†External

Investor Information

(As of June 25, 2009)

Fiscal Year
Ending March 31

Annual Stockholders' Meeting
The annual meeting of the Company's stockholders is normally held in June of each year in Tokyo, Japan.

Stock Exchange Listing
First Section, Tokyo Stock Exchange

Transfer Agent
Sumitomo Trust & Banking Co., Ltd.
5-33, Kitahama 4-chome,
Chuo-ku, Osaka 541-0041, Japan

Paid-in Capital
¥13,302,282,161

Number of Shares Issued
60,832,771

Distribution of Stockholders and Shares

	Number of Stockholders	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Japanese national and regional governmental bodies	0	0	0.00
Japanese financial institutions	38	10,588	17.50
Japanese securities companies	33	598	0.99
Other Japanese corporations	213	35,475	58.63
Japanese individuals and others	2,555	12,137	20.06
Foreign institutions and individuals	71	1,361	2.25
Treasury stocks	1	347	0.57
Total	2,911	60,506	100.0

Major Stockholders

	Number of Shares (Thousands)	Voting Rights (%)
SECOM Co., Ltd.	30,598	50.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,032	3.3
Shareholding Commission of Nohmi Bosai Distributors	1,652	2.7
Shareholding Commission of Nohmi Bosai Partners	1,482	2.4
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1,190	2.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,140	1.9
Shareholding Commission of Nohmi Bosai Employees	1,133	1.9
Japan Trustee Services Bank, Ltd. (Trust Account)	1,025	1.7
Fuji Electric Holdings Co., Ltd.	855	1.4
Sumitomo Mitsui Banking Corporation	765	1.3

NOHMI

• HEAD OFFICE: 7-3, Kudan-Minami 4-chome, Chiyoda-ku, Tokyo 102-8277, Japan
• TEL: 81-3-3265-0211 FAX: 81-3-3263-4948
• URL: http://www.nohmi.co.jp

Printed in Japan