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November 8, 2023

## Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: NOHMI BOSAI LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6744  
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 Scheduled date to file quarterly securities report: November 13, 2023  
 Scheduled date to commence dividend payments: December 5, 2023  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (1) Consolidated operating results (year to date)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	48,732	11.0	1,497	205.4	1,758	156.7	1,193	193.7
Six months ended September 30, 2022	43,918	(12.2)	490	(89.4)	684	(86.0)	406	(88.0)

(Note) Comprehensive income Six months ended September 30, 2023: ¥1,918 million [121.0%]  
 Six months ended September 30, 2022: ¥867 million [(76.9)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2023	19.78	-
Six months ended September 30, 2022	6.74	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	143,214	117,285	80.7
As of March 31, 2023	151,602	116,635	75.8

(Reference) Equity

As of September 30, 2023: ¥115,634 million

As of March 31, 2023: ¥114,942 million

## 2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2024	-	23.00			
Fiscal year ending March 31, 2024 (forecast)			-	23.00	46.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	113,800	7.8	10,000	12.6	10,300	9.3	7,230	3.0	119.83

(Note) Revisions to the financial results forecast most recently announced: None

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:  
Yes
- (3) Changes in accounting policies, changes in accounting estimates and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	60,832,771 shares
As of March 31, 2023	60,832,771 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	493,715 shares
As of March 31, 2023	500,251 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	60,335,327 shares
Six months ended September 30, 2022	60,317,797 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Explanation of the proper use of financial results forecast and other special matters

The results forecast and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors. Please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” on page 2 of the Consolidated Financial Results for the Six Months Ended September 30, 2023 (Attachments) for the assumptions for financial results forecast and notes on using the financial results forecast.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2023, the Japanese economy showed signs of moderate recovery with the normalization of economic activities following the transition of the status of COVID-19 to a Category V Infectious Disease under the Infectious Diseases Control Law. On the other hand, the outlook remains uncertain mainly due to concerns over the impact of rising prices, exchange fluctuation, and global monetary tightening.

In the fire protection industry, although private capital investment has been on a recovery trend and supply constraints on parts have been resolved on the whole, it is necessary to keep paying close attention mainly to the effects of rising raw material prices.

Under these circumstances, the Group has formulated the vision for fiscal 2028 and the measures to realize it as “Medium- to Long-Term Vision 2028: Shaping the Customers’ Expectations.” Starting in fiscal 2022, it has been undertaking a variety of initiatives to transform itself into a company that can create higher added value.

As a result of working on active business activities as the second year of this medium- to long-term vision, orders received in the six months ended September 30, 2023, totaled ¥68,422 million (up 5.1% year-on-year) and net sales were ¥48,732 million (up 11.0% year-on-year).

In terms of profits, mainly due to an increase in net sales amid a solid order receiving environment planned efforts for a price revision, and a recording of some of the selling, general and administrative expenses pushed back to the third quarter and beyond, operating income was ¥1,497 million (up 205.4% year-on-year), ordinary income came to ¥1,758 million (up 156.7% year-on-year), and quarterly net profit attributable to owners of parent was ¥1,193 million (up 193.7% year-on-year).

By business segment, net sales and operating income in the Fire Alarm Systems segment were ¥17,170 million (up 8.1% year-on-year) and ¥1,784 million (up 57.9% year-on-year), respectively. Net sales and operating income in the Fire Extinguishing Systems segment were ¥16,323 million (up 14.5% year-on-year) and ¥1,433 million (up 5.0% year-on-year), respectively. Net sales and operating income in the Maintenance Services segment were ¥12,767 million (up 10.9% year-on-year) and ¥2,131 million (up 30.3% year-on-year), respectively. Net sales and operating income in the Other segment were ¥2,470 million (up 8.9% year-on-year) and ¥72 million (down 30.7% year-on-year), respectively.

(2) Explanation of Financial Position

Total assets at the end of the second quarter of the fiscal year under review were ¥143,214 million, down ¥8,387 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥11,762 million in notes and accounts receivable–trade, and contract assets, despite an increase of ¥1,353 million in raw materials and supplies, an increase of ¥1,275 million in investment securities, and an increase of ¥1,191 million in merchandise and finished goods.

Liabilities fell ¥9,036 million from the end of the previous fiscal year to ¥25,929 million. This was mainly due to a decrease of ¥5,231 million in electronically recorded obligations–operating, a decrease of ¥1,841 million in provision for bonuses, and a decrease of ¥1,089 million in notes and accounts payable–trade.

Net assets were up ¥649 million from the end of the previous fiscal year to ¥117,285 million, mainly due to an increase of valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

Regarding the full-year financial results forecast for the fiscal year ending March 2024, there are no changes to the forecast announced on May 10, 2023, due to uncertainties in the state of progress of construction despite the expected continuous firm order receiving environment.

At the Group, our sales tend to be concentrated in the latter half of the fiscal year, particularly in the fourth quarter, because the construction industry has a significant impact on our sales.

## 2. Quarterly Consolidated Financial Statements and Key Notes

## (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	48,805	48,718
Notes and accounts receivable–trade, and contract assets	46,395	34,633
Merchandise and finished goods	4,528	5,719
Work in process	1,309	1,558
Raw materials and supplies	6,641	7,994
Other	1,415	1,018
Allowance for doubtful accounts	(440)	(458)
Total current assets	108,655	99,184
Non-current assets		
Property, plant and equipment	23,709	23,564
Intangible assets	3,082	3,452
Investments and other assets		
Investment securities	7,550	8,826
Other	8,667	8,245
Allowance for doubtful accounts	(63)	(58)
Total investments and other assets	16,154	17,013
Total non-current assets	42,946	44,030
Total assets	151,602	143,214
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	4,305	3,215
Electronically recorded obligations–operating	5,231	-
Income taxes payable	1,273	852
Provision for bonuses	3,507	1,666
Provision for product warranties	39	170
Provision for warranties for completed construction	85	58
Provision for loss on construction contracts	1,446	1,629
Other	9,784	9,056
Total current liabilities	25,672	16,650
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	147	153
Provision for product warranties	114	111
Reserve for loss on construction performance guarantee	182	182
Retirement benefit liability	7,683	7,722
Asset retirement obligations	118	119
Other	1,047	990
Total non-current liabilities	9,293	9,279
Total liabilities	34,966	25,929

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	13,302	13,302
Capital surplus	12,937	12,939
Retained earnings	87,820	87,805
Treasury shares	(263)	(259)
Total shareholders' equity	113,797	113,787
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	917	1,399
Foreign currency translation adjustment	823	992
Remeasurements of defined benefit plans	(595)	(545)
Total accumulated other comprehensive income	1,145	1,846
Non-controlling interests	1,693	1,650
Total net assets	116,635	117,285
Total liabilities and net assets	151,602	143,214

## (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

## Quarterly Consolidated Statements of Income

Consolidated six-month period

	(Millions of yen)	
	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net sales	43,918	48,732
Cost of sales	31,226	34,432
Gross profit	12,691	14,300
Selling, general and administrative expenses	12,201	12,803
Operating income	490	1,497
Non-operating income		
Interest income	7	4
Dividend income	52	56
Share of profit of entities accounted for using equity method	88	133
Foreign exchange gains	-	24
Insurance return	9	7
Other	66	75
Total non-operating income	225	302
Non-operating expenses		
Interest expenses	3	8
Foreign exchange losses	2	-
Rental expenses	12	12
Other	13	21
Total non-operating expenses	30	42
Ordinary income	684	1,758
Extraordinary income		
Gain on sale of investment securities	38	-
Total extraordinary income	38	-
Extraordinary losses		
Loss on disposal of non-current assets	4	5
Loss from COVID-19 pandemic	101	-
Total extraordinary losses	105	5
Quarterly net income before taxes	617	1,752
Income taxes	284	603
Quarterly net income	333	1,149
Quarterly net loss attributable to non-controlling interests	(73)	(44)
Quarterly net income attributable to owners of parent	406	1,193



## Quarterly Consolidated Statements of Comprehensive Income

Consolidated six-month period

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Quarterly net income	333	1,149
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	477
Foreign currency translation adjustment	523	236
Remeasurements of defined benefit plans, net of tax	76	50
Share of other comprehensive income of entities accounted for using equity method	(1)	5
Total other comprehensive income	534	769
Quarterly comprehensive income	867	1,918
Quarterly comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	763	1,895
Quarterly comprehensive income attributable to non-controlling interests	103	23

## (3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
<b>Cash flows from operating activities</b>		
Quarterly net income before taxes	617	1,752
Depreciation	1,313	1,314
Amortization of goodwill	5	8
Share-based payment expenses	5	6
Increase (decrease) in allowance for doubtful accounts	22	5
Increase (decrease) in retirement benefit liability	72	105
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(59)	5
Increase (decrease) in provision for bonuses	(2,031)	(1,845)
Increase (decrease) in provision for product warranties	84	128
Increase (decrease) in provision for warranties for completed construction	(3)	(26)
Interest and dividend income	(60)	(61)
Insurance return	(9)	(7)
Interest expenses	3	8
Share of loss (profit) of entities accounted for using equity method	(88)	(133)
Loss (gain) on disposal of non-current assets	4	5
Loss (gain) on sale of investment securities	(38)	-
Decrease (increase) in trade receivables and contractual assets	16,105	11,836
Decrease (increase) in inventories	(2,820)	(2,703)
Increase (decrease) in trade payables	(2,907)	(7,556)
Increase (decrease) in contract liabilities	938	641
Other	(2,541)	174
Subtotal	8,612	3,658
Interest and dividends received	62	62
Interest paid	(3)	(8)
Income tax paid	(2,148)	(849)
Net cash provided by (used in) operating activities	6,522	2,863
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(0)	239
Purchase of non-current assets	(2,201)	(1,470)
Purchase of investment securities	(173)	(488)
Proceeds from sales of investment securities	39	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(191)	-
Proceeds from collection of loans receivable	0	0
Proceeds from cancellation of insurance funds	43	215
Other	(17)	(60)
Net cash provided by (used in) investing activities	(2,501)	(1,563)

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(4)	-
Redemption of bonds	(5)	(6)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(62)
Dividends paid	(1,087)	(1,208)
Other	(79)	(83)
Net cash provided by (used in) financing activities	(1,177)	(1,360)
Effect of exchange rate changes on cash and cash equivalents	162	94
Net increase (decrease) in cash and cash equivalents	3,006	33
Cash and cash equivalents at beginning of period	47,507	47,684
Cash and cash equivalents at end of quarter	50,513	47,718

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Application of accounting treatment specific to the preparation of quarterly consolidated financial statements)

How to calculate tax expenses

Tax expenses are calculated by rationally estimating the effective tax rate after the application of tax effect accounting to net income before income taxes for the consolidated fiscal year including the second quarter of the fiscal year under review and multiplying quarterly net income before income taxes by the estimated effective tax rate.

## (Segment Information)

## I Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

Information on the amount of net sales and income or loss by reportable segment and information on the breakdown of profit

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjust- ment (Note) 2	Amount reported on the quarterly consoli- dated statements of income (Note) 3
	Fire Alarm Systems	Fire Extin- guishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	6,711	837	7,413	14,963	724	15,687	-	15,687
Goods or services transferred over a certain period of time	9,174	13,415	4,096	26,686	1,544	28,230	-	28,230
Revenue from contracts with customers	15,886	14,253	11,509	41,649	2,269	43,918	-	43,918
Net sales to external customers	15,886	14,253	11,509	41,649	2,269	43,918	-	43,918
Intersegment sales or transfers	28	24	0	52	93	146	(146)	-
Subtotal	15,914	14,277	11,510	41,702	2,362	44,064	(146)	43,918
Segment income	1,130	1,365	1,635	4,131	105	4,236	(3,746)	490

(Notes) 1 The "Other" segment is a business segment not included in the reportable segment and includes parking lot and lane control systems.

2 The adjustment for segment income of ¥(3,746) million yen is for corporate expenses. Corporate expenses mainly consist of general and administrative expenses and research and development expenses, which are not attributable to reportable segments.

3 Segment income is reconciled to operating income in the quarterly consolidated statements of income.

## II Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

Information on the amount of net sales and income or loss by reportable segment and information on the breakdown of profit

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjust- ment (Note) 2	Amount reported on the quarterly consoli- dated statements of income (Note) 3
	Fire Alarm Systems	Fire Extin- guishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	8,104	1,166	7,448	16,719	724	17,444	-	17,444
Goods or services transferred over a certain period of time	9,066	15,156	5,319	29,542	1,746	31,288	-	31,288
Revenue from contracts with customers	17,170	16,323	12,767	46,262	2,470	48,732	-	48,732
Net sales to external customers	17,170	16,323	12,767	46,262	2,470	48,732	-	48,732
Intersegment sales or transfers	76	17	0	93	92	186	(186)	-
Subtotal	17,246	16,340	12,768	46,355	2,563	48,919	(186)	48,732
Segment income	1,784	1,433	2,131	5,349	72	5,422	(3,924)	1,497

(Notes) 1 The "Other" segment is a business segment not included in the reportable segment and includes parking lot and lane control systems.

2 The adjustment for segment income of ¥(3,924) million yen is for corporate expenses. Corporate expenses mainly consist of general and administrative expenses and research and development expenses, which are not attributable to reportable segments.

3 Segment income is reconciled to operating income in the quarterly consolidated statements of income.