



Results for the First Half of FY2024/3

November 29, 2023

NOHMI BOSAI LTD. **NOHMI**

Shaping the Customers'
Expectations



transformation

I . Consolidated Results for the First Half of FY2024/3



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

New orders were firm overall.

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

Both net sales and income increased, helped by a large order backlog.

Both net sales and income increased year on year, largely reflecting the implementation of systematic price revisions when the backlog of orders remained at the record high level of the beginning of the fiscal year.

Results surpassed the planned level due to the near elimination of constraints in the supply of components.

The order environment remained more robust than expected.

Both net sales and income surpassed the planned level due to the near elimination of constraints in the supply of components.

Consolidated Results of Operation

(Million yen)

	1H FY2023/3		1H FY2024/3		Vs. 1H FY2023/3		Vs. Plan	
	Results	Plan	Results	Amount	Pct.	Amount	Pct.	
New orders	65,103	65,000	68,422	+3,319	+5.1%	+3,422	+5.3%	
Net sales	43,918	46,300	48,732	+4,814	+11.0%	+2,432	+5.3%	
Cost of sales	71.1%	70.6%	70.7%	-0.4pt	—	+0.1pt	—	
Gross profit	12,691	13,600	14,300	+1,609	+12.7%	+700	+5.2%	
SG&A expenses	12,201	13,100	12,803	+601	+4.9%	-296	-2.3%	
Operating income	490	500	1,497	+1,007	+205.4%	+997	+199.5%	
Operating margin	1.1%	1.1%	3.1%	+2.0pt	—	+2.0pt	—	
Ordinary income	684	600	1,758	+1,073	+156.7%	+1,158	+193.0%	
Net income attributable to owners of parent	406	350	1,193	+787	+193.7%	+843	+241.0%	
EPS (yen)	6.74	5.80	19.78					

Consolidated Results by Segments

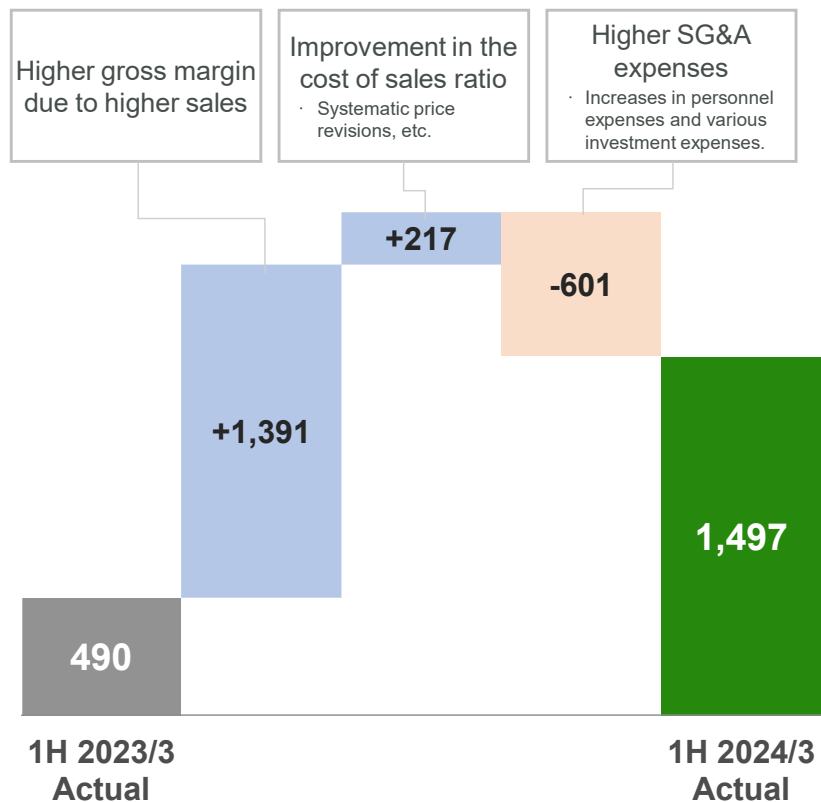
(Million yen)

		1H FY2023/3	1H FY2024/3	Vs. 1H FY2023/3	
		Results	Results	Amount	Pct.
Fire Alarm Systems	Net sales	15,914	17,246	+1,332	+8.4%
	Operating income	1,130	1,784	+654	+57.9%
	Operating margin	7.1%	10.3%	+3.2pt	—
Fire Extinguishing Systems	Net sales	14,277	16,340	+2,063	+14.5%
	Operating income	1,365	1,433	+67	+5.0%
	Operating margin	9.6%	8.8%	-0.8pt	—
Maintenance Services	Net sales	11,510	12,768	+1,258	+10.9%
	Operating income	1,635	2,131	+496	+30.3%
	Operating margin	14.2%	16.7%	+2.5pt	—
Others	Net sales	2,362	2,563	+200	+8.5%
	Operating income	105	72	-32	-30.7%
	Operating margin	4.4%	2.8%	-1.6pt	—
Elimination/ Corporate	Net sales	-146	-186	-40	—
	Operating income	-3,746	-3,924	-178	—
Consolidated	Net sales	43,918	48,732	+4,814	+11.0%
	Operating income	490	1,497	+1,007	+205.4%

Analysis of Change in Operating Income

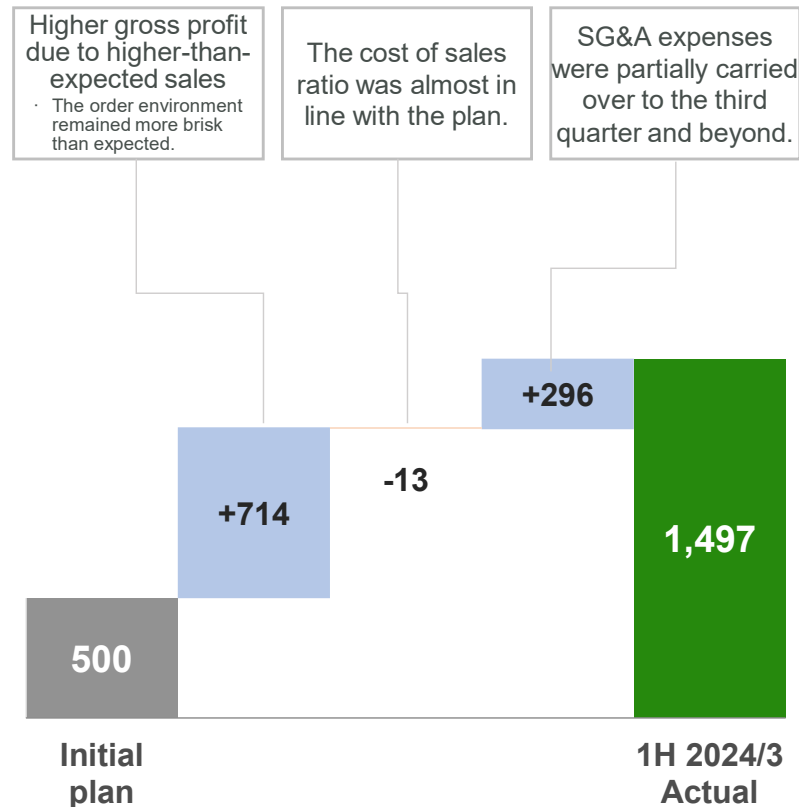
Vs. 1H FY2023/3

(million yen)

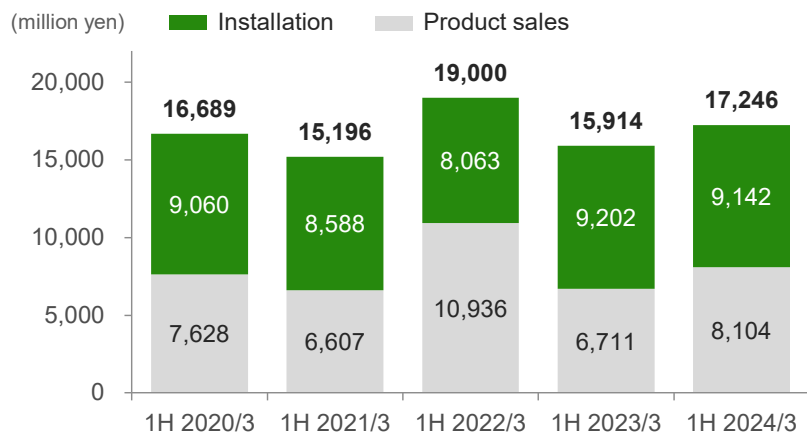


Vs. Plan

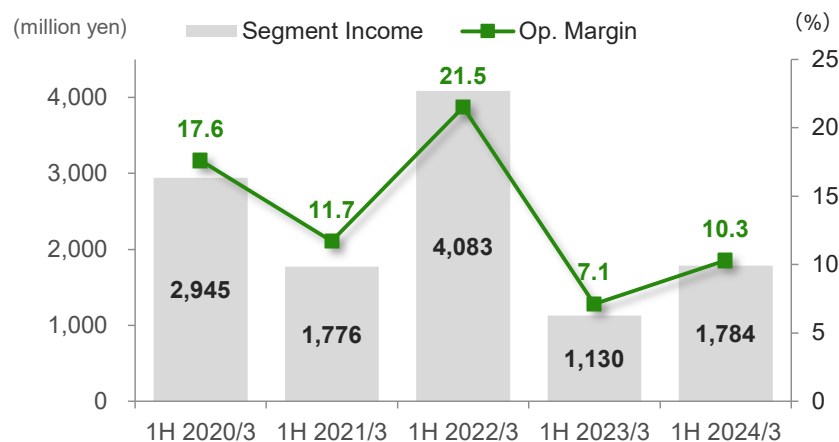
(million yen)



Net Sales (before elimination)



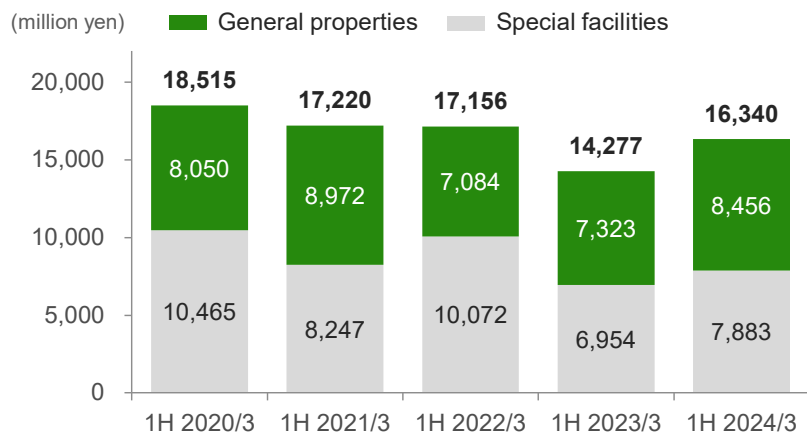
Segment Income & Operating Margin



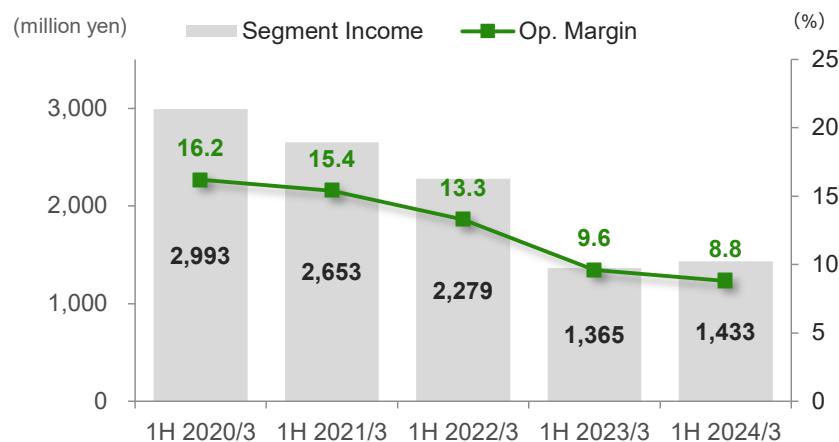
(million yen)	1H 2023/3 Actual	1H 2024/3 Actual	YoY (%)
New orders	21,824	23,181	+6.2
Backlog of orders	18,488	19,605	+6.0
Net sales	15,914	17,246	+8.4
Installation	9,202	9,142	-0.6
Product sales	6,711	8,104	+20.7
Segment Income	1,130	1,784	+57.9

- Both net sales and segment income increased, mainly reflecting higher sales of products due to the impact of the near elimination of constraints in the supply of components, among other factors.
- Profitability improved chiefly due to systematic price revisions amid rising raw material costs.
- New orders remain brisk, while the backlog of orders was at high levels.

Net Sales (before elimination)



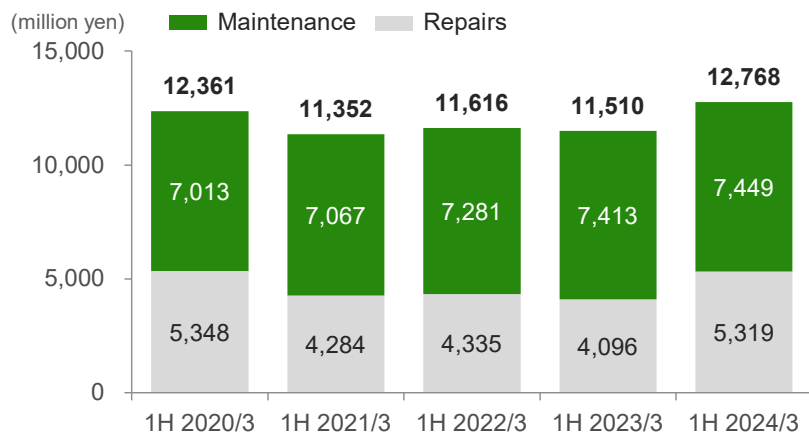
Segment Income & Operating Margin



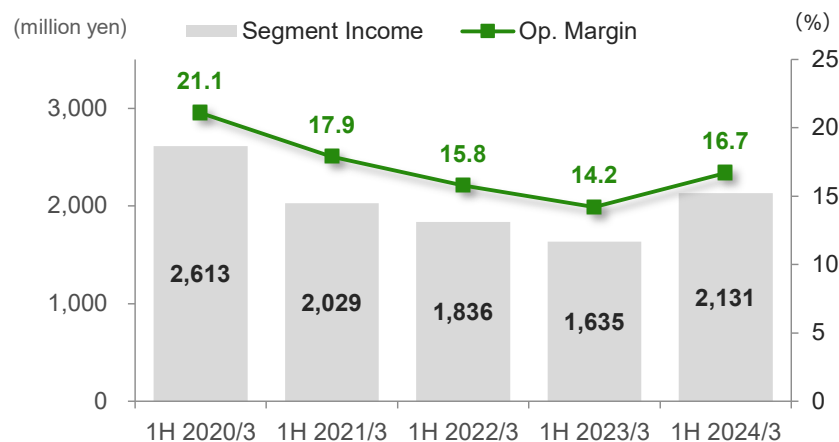
(million yen)	1H 2023/3 Actual	1H 2024/3 Actual	YoY (%)
New orders	20,676	20,651	-0.1
Backlog of orders	38,503	43,185	+12.2
Net sales	14,277	16,340	+14.5
General properties	7,323	8,456	+15.5
Special facilities	6,954	7,883	+13.4
Segment Income	1,365	1,433	+5.0

- Net sales and segment income increased, mainly reflecting the background situation where the backlog of orders at the beginning of the fiscal year was approximately 20% higher than the previous year.
- Profitability declined from the previous fiscal year because there were fewer relatively profitable projects than in the previous fiscal year.
- While new orders remained flat, the backlog of orders was still at high levels.

Net Sales (before elimination)



Segment Income & Operating Margin



(million yen)	1H 2023/3 Actual	1H 2024/3 Actual	YoY (%)
New orders	20,128	21,833	+8.5
Backlog of orders	12,983	14,552	+12.1
Net sales	11,510	12,768	+10.9
Maintenance	7,413	7,449	+0.5
Repairs	4,096	5,319	+29.9
Segment Income	1,635	2,131	+30.3

- New orders expanded steadily. New orders, the order backlog and net sales all hit record highs in the first half of the fiscal year.
- In addition, profitability trended toward improvement.

Shaping the Customers'
Expectations



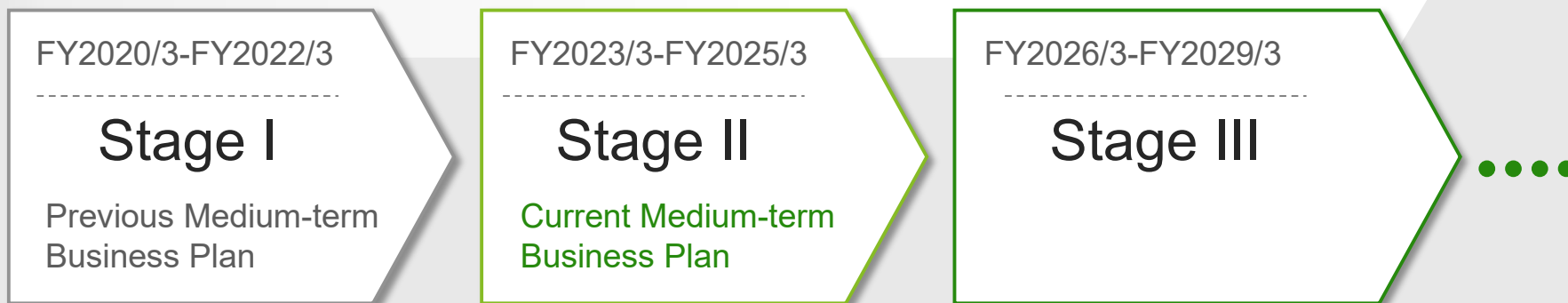
transformation

II . Nohmi Bosai Group Medium- to Long-term Vision 2028

- Shaping the Customers' Expectations -



Medium- to Long-term Vision 2028

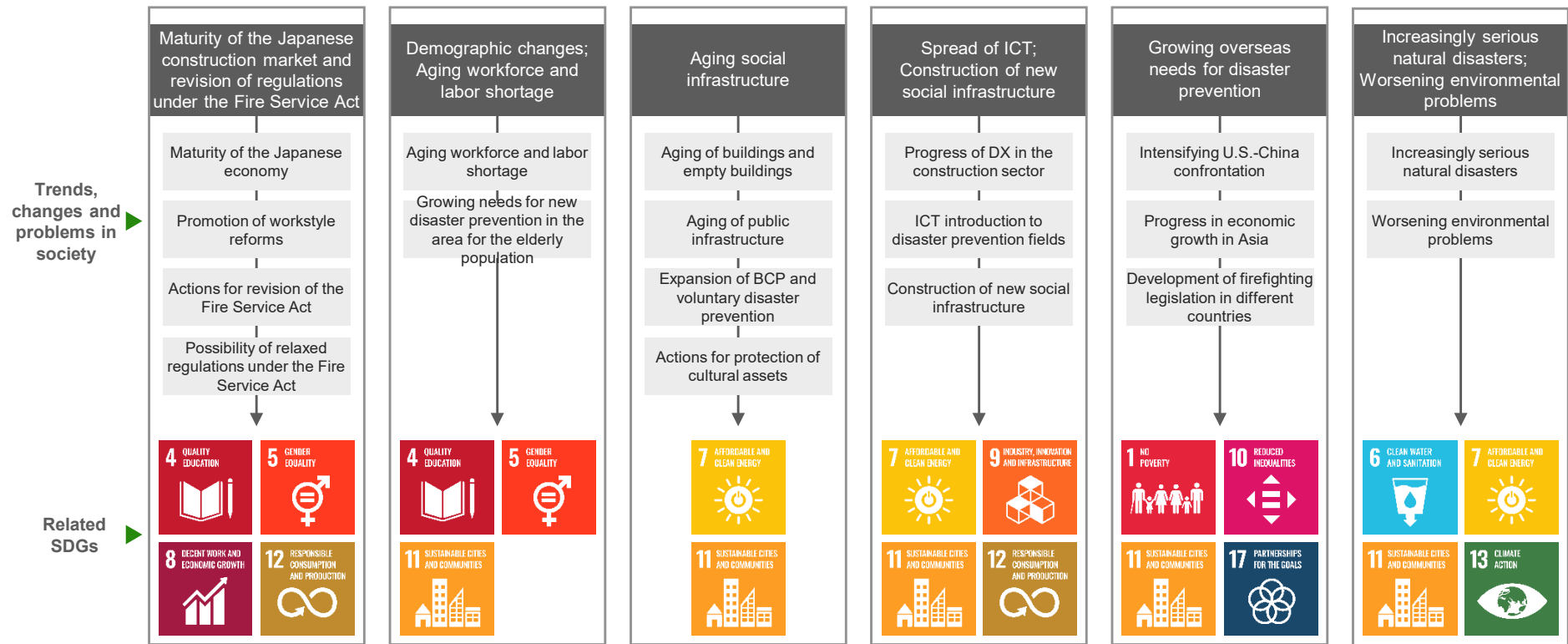


At the start of this plan, a medium- to long-term vision statement was formulated.
It defined the orientation for a long period of time.

* For the medium- to long-term vision statement, see page 13.



Awareness of the External Environment



Desired society

Nohmi Bosai's aspirations

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

Offer original disaster prevention systems mainly to existing business domains.

Offer optimal disaster prevention solutions based on customers' issues.

Help resolve customers' issues in all aspects of disaster prevention and monitoring.

Establish a system of construction and maintenance that responds to an aging workforce and labor shortages.

Expand business coverage to all kinds of disasters as a comprehensive disaster prevention enterprise.



Shaping the Customers'
Expectations



transformation

Shape safety to meet **customers'**
expectations and realize a society
where anyone can live happily.

We will help create a society where precious human lives, property and the environment are protected and where anyone can enjoy safety and live happily. We aspire to be a company that together with customers **shapes** safety to meet **customers' expectations** to deliver solutions to all places by constantly taking the lead in disaster prevention.

Every one of us will be aware of our mission as a pioneer in disaster prevention business. We will sincerely listen to those who support the Nohmi Bosai Group and gain enhanced insights into **customers' expectations**. We will carry out activities with an inquisitive mindset to realize our targets.



Medium- to Long-term Vision Statement

Shaping the Customers'
Expectations



transformation

Shape safety to meet customers' expectations and realize a society where anyone can live happily.

Nohmi Bosai's aspirations

➔ 1

Offer original disaster prevention systems mainly to existing business domains.

➔ 2

Offer optimal disaster prevention solutions based on customers' issues.

➔ 3

Help resolve customers' issues in all aspects of disaster prevention and monitoring.

➔ 4

Establish a system of construction and maintenance that responds to an aging workforce and labor shortages.

➔ 5

Expand business coverage to all kinds of disasters as a comprehensive disaster prevention enterprise.

Realizing the Medium- to Long-term Vision Statement

For shaping safety to meet customers' expectations

Enrich knowledge of personnel and organizations

Personnel strategy for dynamic growth



Accelerate the growth cycle of individuals and the company to achieve dynamic growth

⇒ See p. 18

Co-create with customers

Future co-creation project



Change the style of proposals to customers to increase the value offered to them.

⇒ See p. 16

Growth investment

Investment plan for the future



Plan to invest in research and development, mergers and acquisitions, equipment, personnel and the environment for the future

⇒ See p. 21

Digital Transformation (DX)

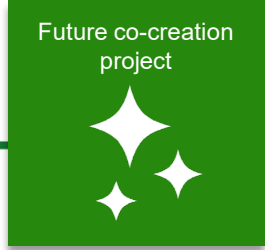
⇒ See p. 22

Create a supply chain for a stronger system of stably supplying products and services.

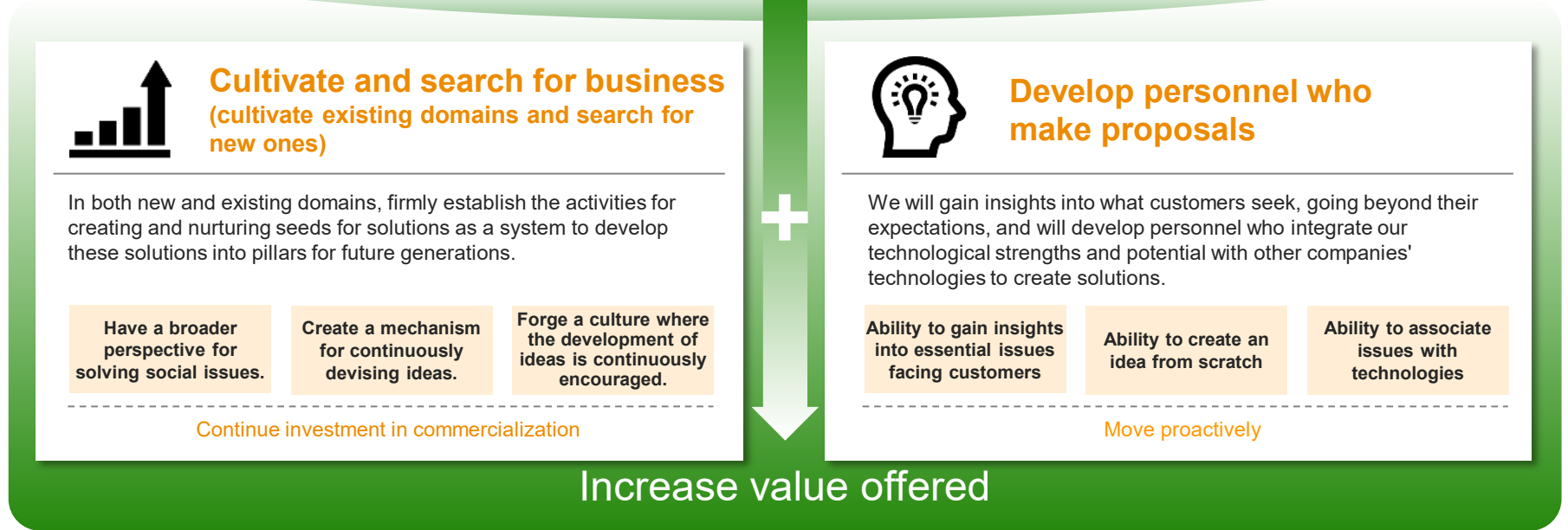
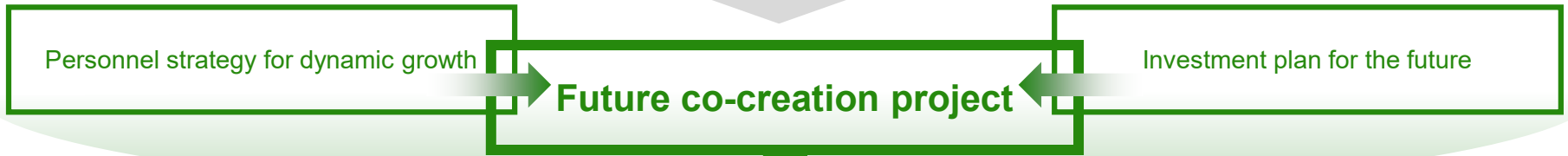
Respond to issues by increasing corporate value through sustainability management.

⇒ See p. 23

Change into a company creating higher additional value.



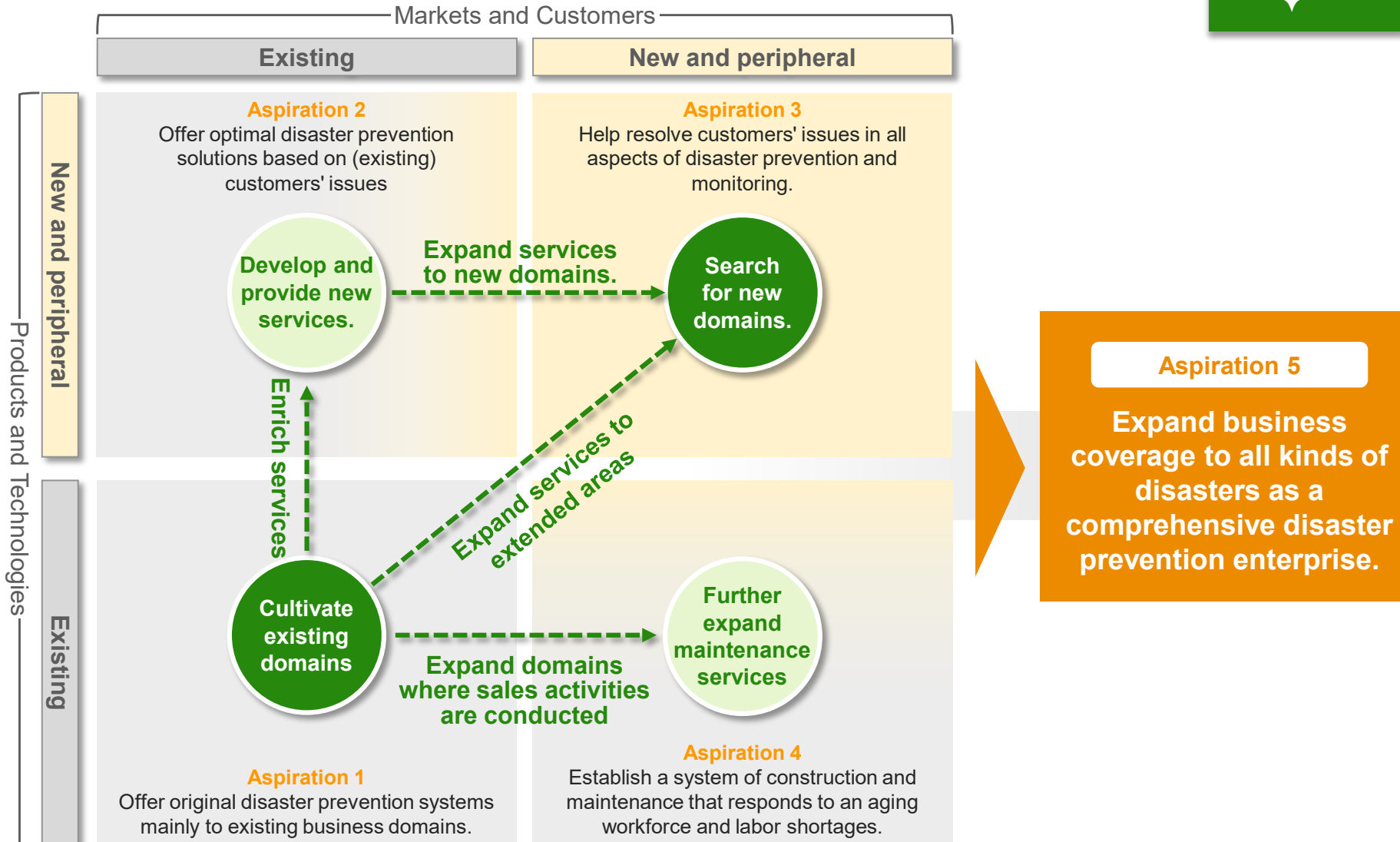
For shaping safety to meet customers' expectations



Increase value offered

Improve the ability to solve social issues

Business Strategy: Basic Orientation





For shaping safety to meet customers' expectations

Vision

Autonomy and initiative

- Individuals think and act independently and pursue initiative by fully harnessing their own potential.
- Individuals voluntarily continue to build up their own skills and expertise.

All employees' active performance

- The company ensures that all employees fully harness their potential.
- The company properly rewards individuals for their skills, expertise and display of their initiative and ideas (actions and results).

Accelerate the growth cycle

Individuals



Growth of individuals

Company



Growth of the company

Environment and culture supporting performance and growth

Provide a platform for performance and growth

- The company ensures that individuals can work flexibly according to their wishes and circumstances.
- The company ensures that the personality of each individual is respected and that co-creation by diverse personnel comes into being.

Policy

Workstyle reforms

Encourage diverse and flexible workstyles and accelerate labor reduction and the streamlining of operations

Recruitment

Determine personnel requirements matched to the Medium- to Long-term Vision and boost capabilities to recruit personnel in new and existing domains.

Personnel system

Ensure evaluation and treatment according to the roles fulfilled and the level of achievement with a personnel system that provides a sense of security.

Transfer and assignment

Optimize staff assignments and realize systematic transfers from the perspectives of individuals and the company.

Development

Provide employees with opportunities and choices for increasing the speed of growth.

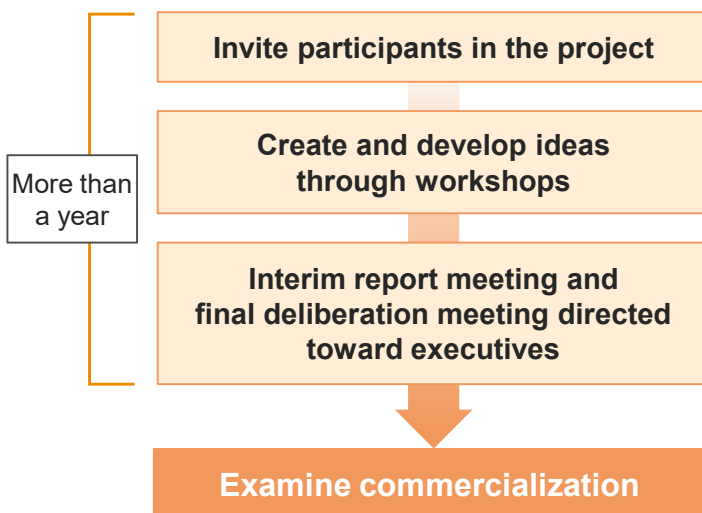
Diversity

Accept personnel with diverse skills and values and create and offer opportunities for performance and growth.



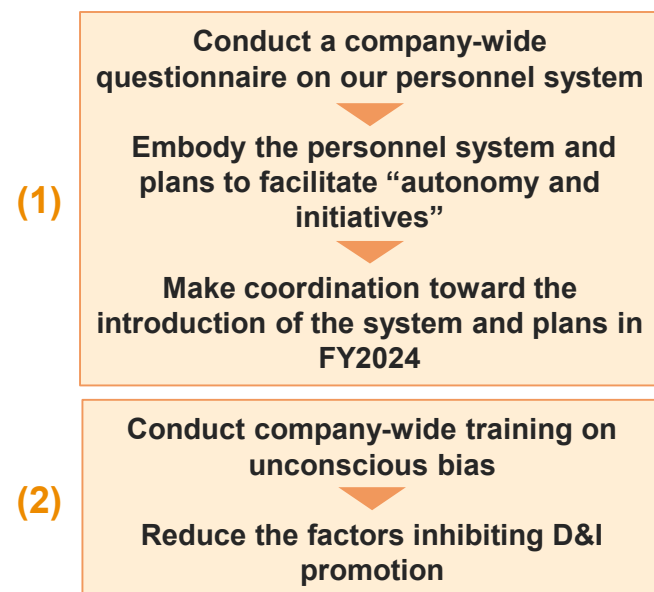
Future co-creation project

A dedicated system has been developed in-house and the project has started with the aim of creating new businesses from customers



Personnel strategy for dynamic growth

- (1) Facilitate autonomy and initiatives
- (2) Promote diversity and inclusion





We started test sales for **Stockle+**, a new service created to shape customers' expectations.

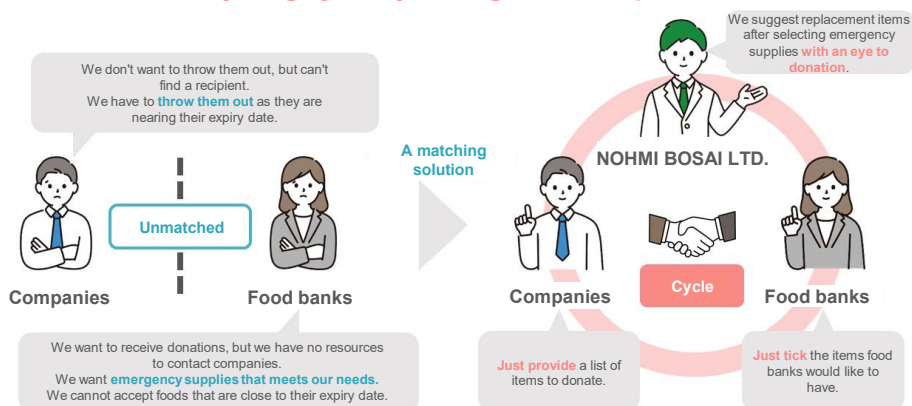
- Stockle+ is a matching service targeting companies that wish to donate emergency supplies, the best-before dates of which are about to expire, and food banks that wish to receive such donation.
- The service promotes the development of a sustainable, recycling society by redistributing still-usable emergency supplies.
- It is a new service created as one of the achievements of the future co-creation project.



Features of Stockle+

- Facilitating a social contribution by redistributing emergency supplies that would otherwise be wasted (SDGs response)
- Can reduce the administrative burden on companies and food banks when supplies are restocked
- Can donate to food banks and other organizations at the same cost as that for disposal

Creation of a recycling cycle by linking isolated operations



Reducing the workloads of company staff by providing a one-stop service, including suggestions on items to replace and coordination of donation recipients.





For shaping safety to meet customers' expectations

Investment plan for the future

Stage II
(2023/3 to 2025/3)

Research and
development

Investment in growth,
M&A and the building
of the foundation

Investment in personnel

Enhancement of the
supply chain
Investment in the
environment

Ratio to net sales*
3%

Investment amount
30 billion yen

* As of FY2029/3

Major initiatives

- Relocate and newly build the Mitaka Factory
- Nissho Setsubi Kogyo (currently Oita Nohmi) and Sakamoto Densetsu join the Nohmi Group
- Investment in digital transformation
(functional improvement of TASKis, development of apps and services to satisfy and reassure customers (underway), VR fire experience)
- Renovate the CS Service Center
- Digital skill training
- Increase in training options



For shaping safety to meet customers' expectations

Change the forms of disaster prevention and safety

Propose solutions that will produce results beyond expectations

⇒ Digital Transformation (DX)

Stage II (2023/3-2025/3)

Stage III (2026/3-2029/3)

Change the style of services

- Expand and enhance services using the cloud
- Create products using the cloud

Change customer services

- Strive to build a system to save labor in inspection
- Work to build a system to save labor in construction

Carry out internal digitalization to streamline back-office operations

- e.g., Shift to paperless operations across the company

⇒ Fortifying the foundation

Improve the cloud platform and the system for offering cloud operation services and proposal-based services and build up personal skills

Respond to Issues by Increasing Corporate Value through Sustainability Management

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

We have established **Basic Sustainability Policy, identified material issues, and developed a structure for promoting sustainability management.**

Basic Sustainability Policy



For many years, the Nohmi Bosai Group has pursued ways to make society safer. Having the technologies and trust backed by our history, we are seeking a society free from accidents involving fires. Also, we are working to protect life and property from all kinds of disasters and to create a sustainable society.

Material Issues

Offer solutions for protecting life and property from all kinds of disasters



Promote human resources development and ensure diversity to value personal autonomy and initiative



Embrace global environmental protection initiatives, starting by realizing carbon-neutral status



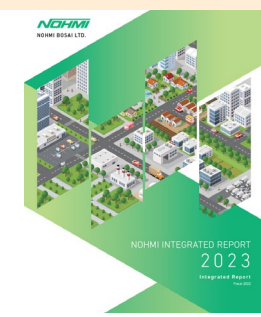
Adopt management practices appropriate to a company seeking to ensure safety and security



Developing the structure for promoting sustainability management

The Sustainability Committee was established in March 2023 as an advisory capacity to the president.

We started to issue integrated reports in 2023.





Dividend and Shareholder Returns Policy

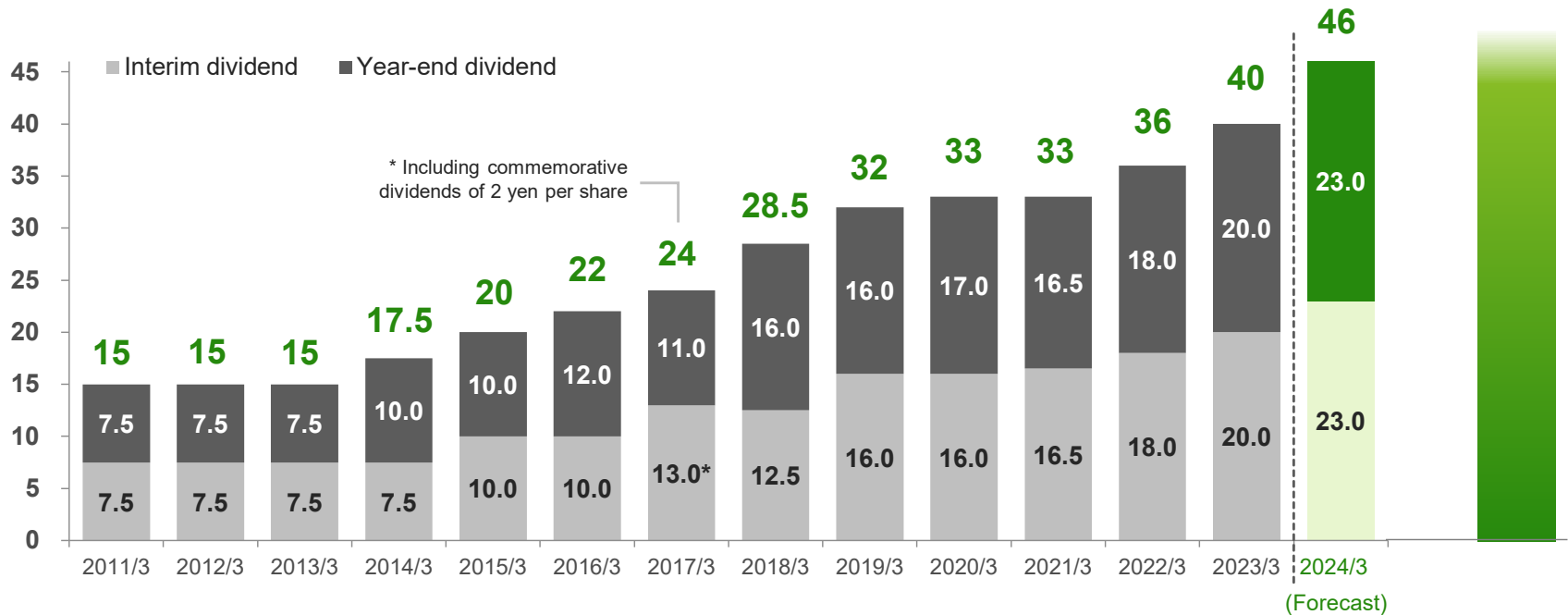
Setting a consolidated payout target of 40% by FY2025/3 in Stage II, we aim to stably and continuously enrich shareholder returns.

Trend in dividend per share (Yen)

* We have not reduced dividends, excluding extraordinary dividends, since FY1979/3.

Stage II period
(2023/3-2025/3)

Aim for a consolidated payout ratio of **40%**



Payout ratio	48.5%	50.6%	31.4%	21.9%	21.4%	20.0%	20.8%	18.8%	24.7%	18.9%	26.1%	23.2%	34.4%	38.4%
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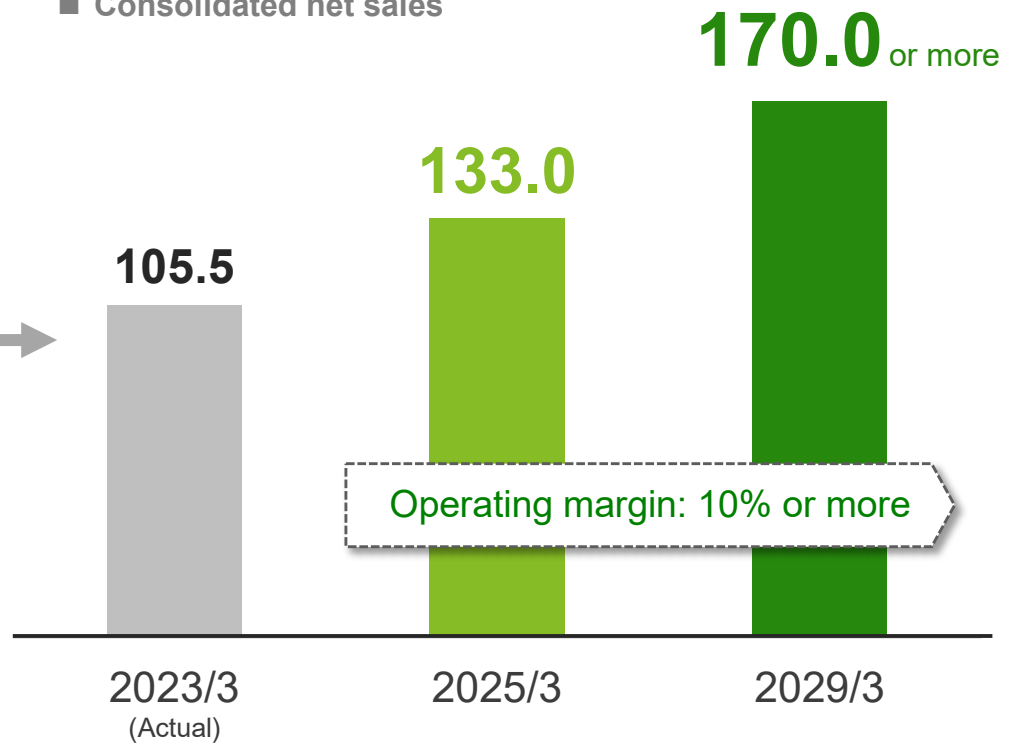
Numerical Targets

Medium- to Long-term Business Targets

(Billion yen)



Consolidated net sales



(Billion yen)

	2023/3 (Actual)
New orders	114.1
Net sales	105.5
Operating income	8.8
(Op. Margin)	(8.4%)
Ordinary income	9.4
Net income attributable to owners of parent	7.0
ROE	6.2%

Shaping the Customers'
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III. Forecast for FY2024/3

Forecast for FY2024/3 (Consolidated)

(Million yen)

	FY2023/3	FY2024/3	Vs. FY2023/3	
	Actual	Forecast	Amount	Pct.
New orders	114,168	115,000	+831	+0.7%
Net sales	105,537	113,800	+8,262	+7.8%
Gross profit	34,859	37,910	+3,050	+8.8%
Gross margin	33.0%	33.3%	+0.3pt	—
SG&A expenses	25,980	27,910	+1,929	+7.4%
Operating income	8,879	10,000	+1,120	+12.6%
Operating margin	8.4%	8.8%	+0.4pt	—
Ordinary income	9,420	10,300	+879	+9.3%
Net income attributable to owners of parent	7,022	7,230	+207	+3.0%
EPS (yen)	116.42	119.83		
ROE	6.2%	6.3%		

We assume a continued increase in new orders.

New orders are expected to be greater than the previous fiscal year, when they hit a record high.

New orders remained at higher-than-expected levels during the first half.

Both net sales and income will increase as the backlog of orders hit a record high.

The backlog of orders at the beginning of the current fiscal year is at its highest level ever. We posted steady net sales while also achieving the record high backlog of orders in the first half.

The forecast remains unchanged, although efforts will continue to be made to improve profitability.

We will continue to work on price revisions to deal with rising raw material prices. Although the environment for orders is expected to be firm, it was decided to leave the forecast unchanged, partly because of some uncertainty in the progress of construction.

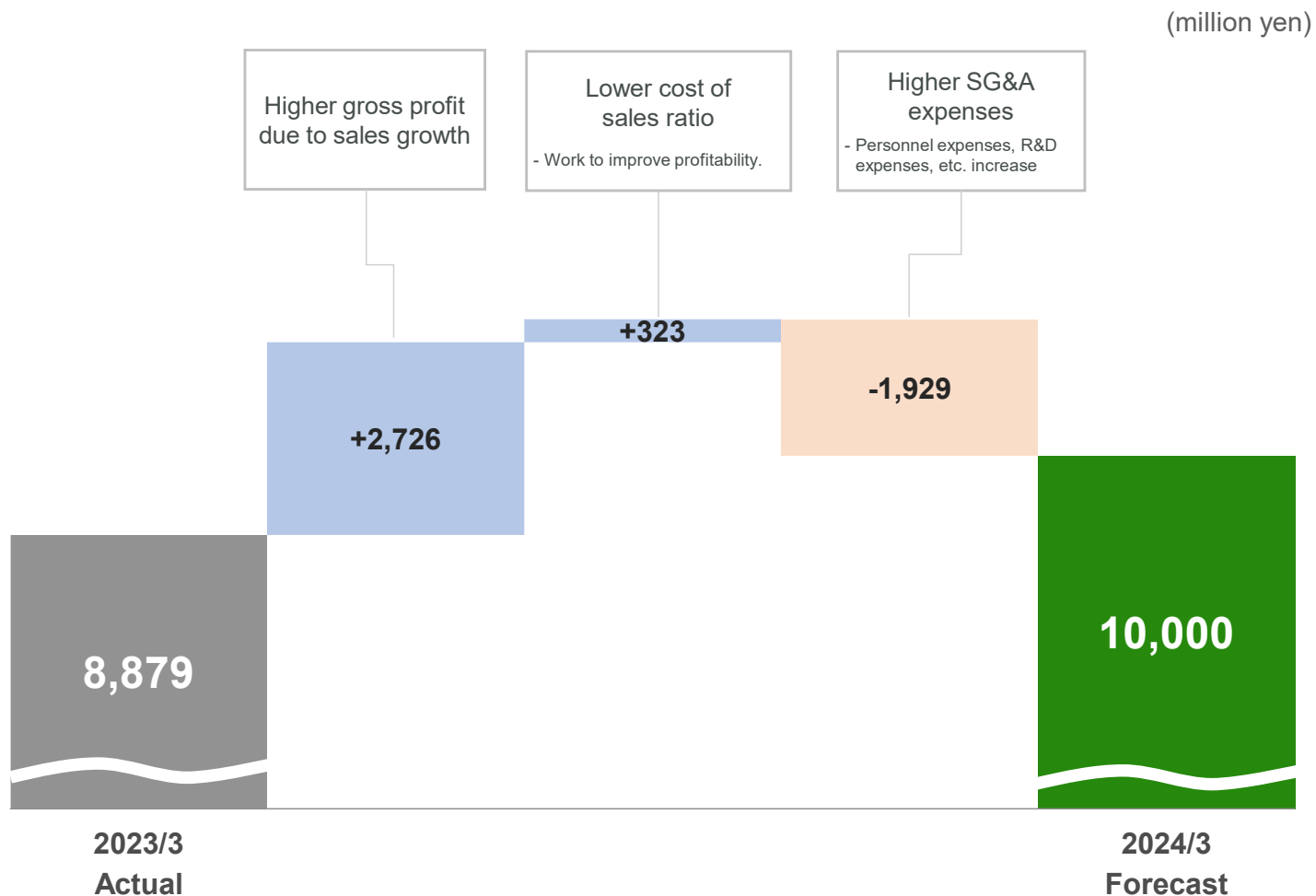
Forecast for FY2024/3 by Segments

(Million yen)

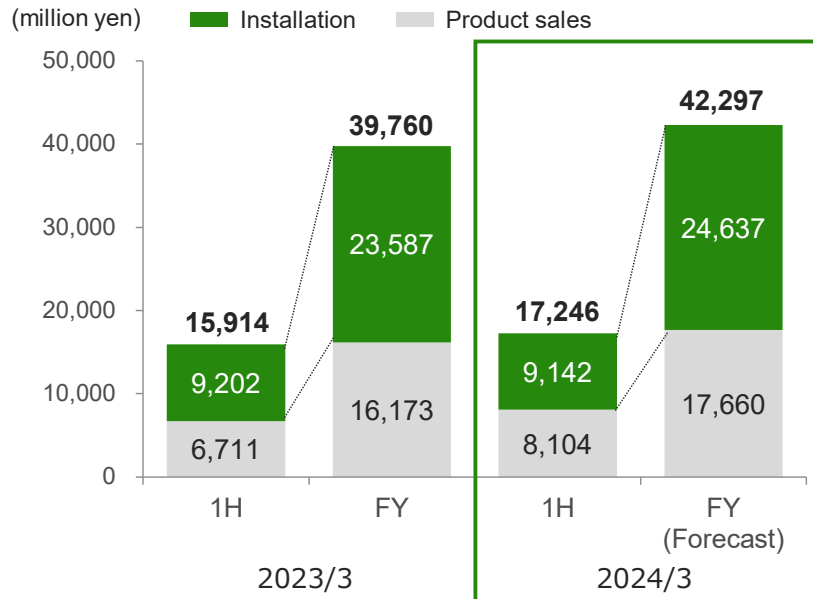
		FY2023/3	FY2024/3	Vs. FY2023/3	
		Actual	Forecast	Amount	Pct.
Fire Alarm Systems	Net sales	39,760	42,297	+2,536	+6.4%
	Operating income	6,509	6,851	+342	+5.3%
	Operating margin	16.4%	16.2%	-0.2pt	—
Fire Extinguishing Systems	Net sales	32,479	37,197	+4,718	+14.5%
	Operating income	4,231	5,474	+1,243	+29.4%
	Operating margin	13.0%	14.7%	+1.7pt	—
Maintenance Services	Net sales	28,518	29,600	+1,082	+3.8%
	Operating income	5,807	6,213	+405	+7.0%
	Operating margin	20.4%	21.0%	+0.6pt	—
Others	Net sales	5,168	5,092	-75	-1.5%
	Operating income	283	88	-195	-68.9%
	Operating margin	5.5%	1.7%	-3.8pt	—
Elimination/ Corporate	Net sales	-388	-388	—	—
	Operating income	-7,952	-8,628	-676	—
Consolidated	Net sales	105,537	113,800	+8,262	+7.8%
	Operating income	8,879	10,000	+1,120	+12.6%



Analysis of Operating Income Forecast

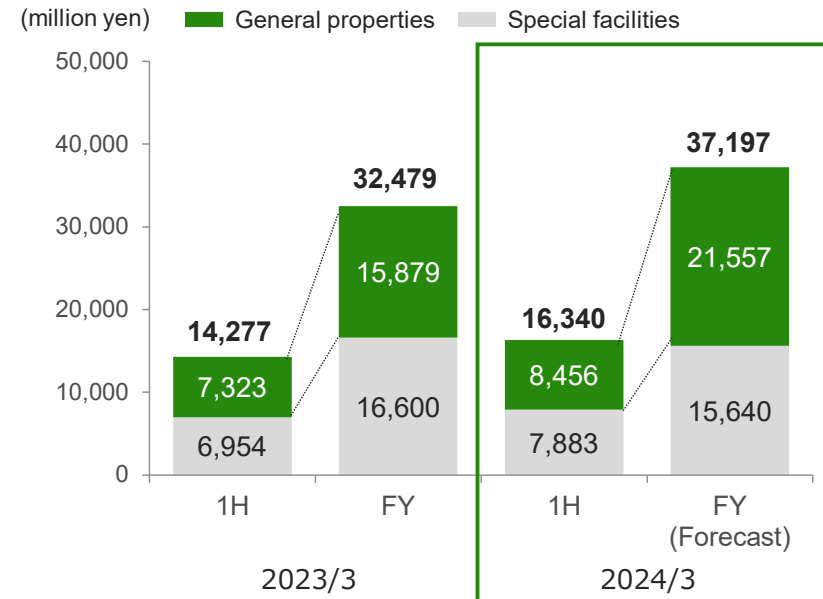


Fire Alarm Systems



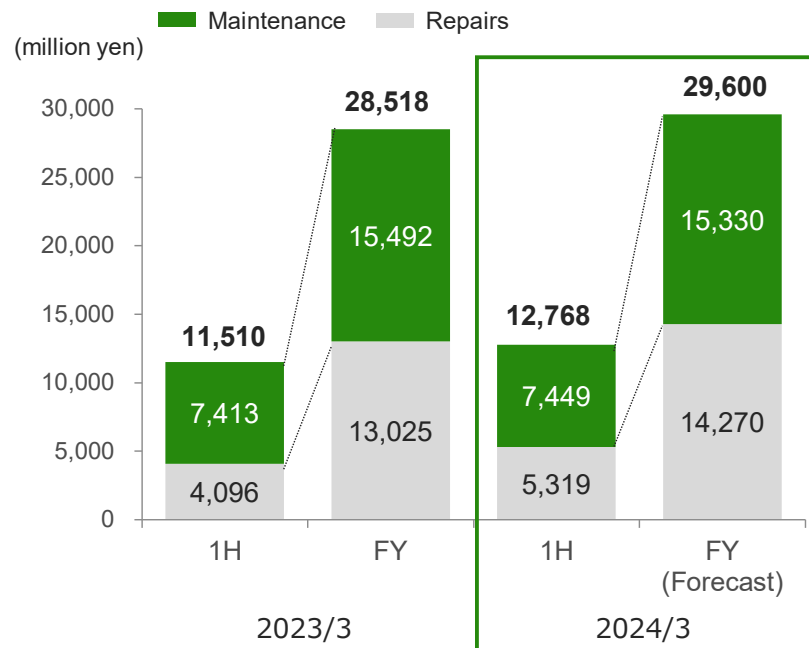
- Since the environment for orders has been strong, we expect an increase in sales in terms of both installation and product sales.

Fire Extinguishing Systems



- We expect an increase in sales throughout the segment, supported by the accumulation of a large order backlog.

Maintenance Services



- Because of an accumulation of the backlog of orders for repairs, we expect a continued, stable increase in sales.

Shaping ^{the} Customers'
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IV. Reference



Comprehensive disaster prevention company

➤ Trade Name	NOHMI BOSAI LTD.
➤ Head Office	7-3 Kudan-Minami, 4-Chome, Chiyoda-ku, Tokyo Japan
➤ Establishment	May 5, 1944 (Foundation: December, 1916)
➤ President	Takeshi Okamura, Representative Director and President
➤ Capital	13,302 million yen (As of March 31, 2023)
➤ Employees	2,673 (consolidated) (As of March 31, 2023)
➤ Business	Contract test, planning, proposal regarding disaster prevention. Research, development, planning, installation and maintenance of disaster prevention facilities and systems. Design, manufacturing and marketing of disaster prevention equipment. Design, manufacturing, installation, marketing and maintenance of parking lot system.



History

100th anniversary

- 2022 Listed on Tokyo stock exchange Prime Market
Mitaka Factory was relocated and newly built
- 2021 Released "Panic in the Office" a virtual reality fire experience
- 2019 TASKis® cloud disaster response support software was launched
- 2018 R-26C fire alarm system for midsize/large buildings was launched
- 2017 Menuma factory was expanded and "Nohmi Technorium Menuma" an exhibition facility was established.
- 2016 Automatic fire extinguisher system "SPash α" was launched.
- 2014 Manual fire alarm box with ring-shaped location lamp won GOOD DESIGN Gold prize
- 2013 Image processing smoke detection system was launched.
- 2010 Established R&D center in Misato, Saitama
- 2009 Aspirating super-high sensitivity smoke detection system PROTECVIEW was launched.
- 2006 Third-party allocation of shares to SECOM Co., Ltd.
- 2004 Mamoru-kun 10 the fire alarm equipment for houses was launched.
- 2002 Conventional fire alarm system with automatic testing function "Advanced P" was launched.
- 1995 Nohmi Secom Fire Protection (Beijing) Co., Ltd. established in China.
- 1991 Listed on Tokyo stock exchange 1st section
- 1987 Installed fire protection systems in the Seikan Tunnel and the Seto ohashi bridge.
- 1974 Developed fire protection systems for LNG terminal
- 1968 Installed the first ionization type fire detection system in the Kasumigaseki Building, which was the first highrise building in Japan.
- Listing of stock 1962 Installed the first fire protection systems in the Kajiwara-Tenosan tunnel of the Meishin Expressway in Japan. Listed on Tokyo stock exchange 2nd Section
- 1936 Installed the first fire alarm systems at the imperial palace
- 1933 Installed the first fire alarm systems at Sanjyusangen-do Temple, first in Japan for a national treasure.
- 1924 "Nohmi Shokai" started a fire protection business to manufacture and sell automatic fire alarm systems after the Great Kanto Earthquake
- Establishment 1916 Teruichi Nohmi established "Nohmi Shokai"



R-26C



Nohmi Technorium Menuma



Menuma factory



R&D center Misato



Manual fire alarm box with ring-shaped location lamp



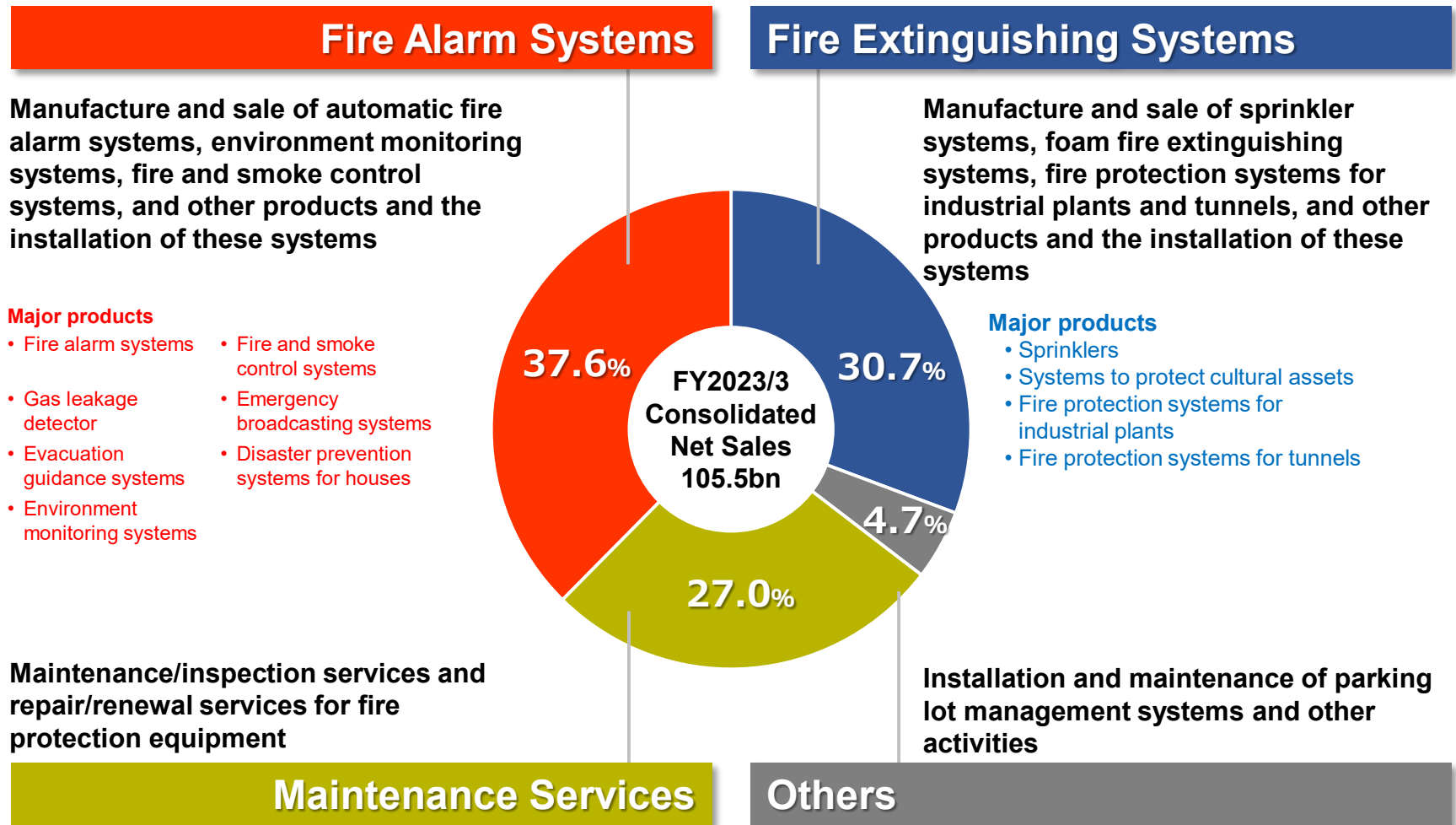
PROTECVIEW



Teruichi Nohmi



Oku-Goten in imperial palace completion ceremony





Comprehensive fire safety expertise

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

Fully integrated



- A diverse lineup of equipment allows Nohmi to meet the fire protection requirements of almost any type of building or other facility



Five key strengths backed by many years of accomplishments

- 1 Technology** – Development, design, installation and other skills covering all aspects of fire protection
- 2 Knowledge** – Fire safety expertise acquired from an enormous volume of research and testing
- 3 Installation quality** – Rigorous process management and other skills ensure outstanding quality for all installation work
- 4 Reliability** – A reputation for trust among customers and all others due to a record of proven reliability
- 5 Nationwide network** – A powerful network of sales distributors covering all areas of Japan

*Simulations cover almost all potential sources of fires





Statements in this presentation about future results of operations are based on information that is currently available to Nohmi Bosai and its group companies. These forecasts incorporate risk factors and uncertainties.

Actual results of operations may differ significantly from the forecasts in this presentation because of a change in the economic environment for business activities, a shift in demand or other reasons.