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May 9, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: NOHMI BOSAI LTD.
Listing: Tokyo Stock Exchange
Securities code: 6744
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Scheduled date of annual general meeting of shareholders: June 25, 2024
Scheduled date to commence dividend payments: June 26, 2024
Scheduled date of submission of annual securities report: June 25, 2024
Preparation of supplementary materials on financial results: Yes
Holding of 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 Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(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	%
Fiscal year ended March 31, 2024	118,506	12.3	11,662	31.3	12,242	30.0	8,574	22.1
Fiscal year ended March 31, 2023	105,537	(6.5)	8,879	(29.7)	9,420	(28.4)	7,022	(24.9)

(Note) Comprehensive income Fiscal year ended March 31, 2024: ¥11,184 million [59.3%]
Fiscal year ended March 31, 2023: ¥7,020 million [(29.0)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	142.10	-	7.2	7.9	9.8
Fiscal year ended March 31, 2023	116.42	-	6.2	6.3	8.4

(Reference) Share of profit (loss) of entities accounted for using equity method
Fiscal year ended March 31, 2024: ¥352 million
Fiscal year ended March 31, 2023: ¥301 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	157,485	125,166	78.5	2,049.07
As of March 31, 2023	151,602	116,635	75.8	1,905.14

(Reference) Equity

As of March 31, 2024:	¥123,638 million
As of March 31, 2023:	¥114,942 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	3,279	(2,657)	(2,845)	45,550
Fiscal year ended March 31, 2023	5,194	(2,613)	(2,469)	47,684

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	20.00	-	20.00	40.00	2,417	34.4	2.1
Fiscal year ended March 31, 2024	-	23.00	-	30.00	53.00	3,203	37.3	2.7
Fiscal year ending March 31, 2025 (Forecast)	-	30.00	-	30.00	60.00		42.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
First two quarters	52,200	7.1	2,100	40.2	2,200	25.1	1,500	25.7	24.86
Full year	120,800	1.9	12,100	3.7	12,400	1.3	8,600	0.3	142.53

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	493,735 shares
As of March 31, 2023	500,251 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	60,337,047 shares
Fiscal year ended March 31, 2023	60,320,408 shares

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	89,348	9.8	8,158	32.3	8,755	29.6	6,240	15.3
Fiscal year ended March 31, 2023	81,337	(9.5)	6,165	(38.9)	6,756	(36.7)	5,411	(30.0)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2024	103.25	-
Fiscal year ended March 31, 2023	89.54	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	128,460	96,172	74.9	1,591.19
As of March 31, 2023	124,550	91,304	73.3	1,510.82

(Reference) Equity

As of March 31, 2024: ¥96,172 million
As of March 31, 2023: ¥91,304 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First two quarters	40,700	12.3	1,800	21.6	1,200	13.8	19.85
Full year	92,500	3.5	9,400	7.4	6,600	5.8	109.20

* These financial results are not subject to audit by certified public accountants or auditing firms.

* 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. For assumptions underlying the results forecast and notes on using them, please refer to “(4) Future Outlook” in “1. Overview of Operating Results, Etc.” on page 3 of the Attachments.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Current Fiscal Year

In the fiscal year under review, the Japanese economy continued a moderate recovery trend amid an improvement in the employment and income situation as economic activities normalized with 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 due to rising prices, exchange rate fluctuations and an unstable international situation.

In the fire protection industry, supply constraints of components were more or less resolved and capital investment grew moderately amid an improvement in corporate profits and business confidence, leading to strong demand. However, it is still 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 measures to realize it as “Medium- to Long-Term Vision 2028: Shaping the Customers’ Expectations.” The Group has made the Medium- to Long-Term Vision Statement: Shape safety to meet customers’ expectations and realize a society where anyone can live happily. Accordingly, the Group has worked on the following three measures since fiscal 2022.

1) Future co-creation project

Promote “cultivate and search for business” and “develop personnel making proposals” through systematic responses and mechanisms.

2) Personnel strategy for dynamic growth

Speed up the growth cycle of each employee and the organization at the same time, and advance a personnel strategy that supports the realization of the Medium- to Long-Term Vision.

3) Investment plan for the future

Actively make growth investment for the future.

Furthermore, as the foundations that hold up these measures, the Group has also engaged in “Digital Transformation,” “Create a supply chain for a stronger system of stably supplying products and services,” and “Respond to issues by increasing corporate value through sustainability management.”

As a result of working on active business activities as the second year of this medium- to long-term vision, orders received in the fiscal year ended March 31, 2024 totaled ¥123,492 million (up 8.2% year-on-year) and net sales were ¥118,506 million (up 12.3% year-on-year).

In terms of profits, mainly due to an increase in net sales amid a solid order-receiving environment and planned efforts for a price revision, operating income was ¥11,662 million (up 31.3% year-on-year), ordinary income came to ¥12,242 million (up 30.0% year-on-year), and net income attributable to owners of parent was ¥8,574 million (up 22.1% year-on-year).

By business segment, net sales and operating income in the Fire Alarm Systems segment were ¥43,005 million (up 8.4% year-on-year) and ¥7,674 million (up 17.9% year-on-year), respectively. Net sales and operating income in the Fire Extinguishing Systems segment were ¥38,245 million (up 18.1% year-on-year) and ¥5,020 million (up 18.6% year-on-year), respectively. Net sales and operating income in the Maintenance Services segment were ¥32,143 million (up 12.7% year-on-year) and ¥7,259 million (up 25.0% year-on-year), respectively. Net sales and operating income in the Others segment were ¥5,113 million (up 2.8% year-on-year) and ¥251 million (down 11.3% year-on-year), respectively.

(2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the fiscal year under review were ¥157,485 million, up ¥5,883 million from the end of the previous fiscal year. This was mainly due to, despite a decrease of ¥2,255 million in cash and deposits, an increase of ¥2,739 million in notes and accounts receivable–trade, and contract assets, an increase of ¥2,523 million in investment securities, an increase of ¥1,501 million in raw materials and supplies and an increase of ¥1,418 million in retirement benefit assets.

Liabilities fell ¥2,647 million from the end of the previous fiscal year to ¥32,318 million. This was mainly due to a decrease of ¥5,231 million in electronically recorded obligations–operating and a decrease of ¥2,107 million in retirement benefit liabilities despite an increase of ¥1,206 million in income taxes payable.

Net assets were up ¥8,530 million from the end of the previous fiscal year to ¥125,166 million, mainly due to an increase in retained earnings.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year under review were ¥45,550 million, down ¥2,134 million from the end of the previous fiscal year.

Details for each category of cash flow for the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥3,279 million (compared with ¥5,194 million provided in the previous fiscal year) mainly due to income before income taxes of ¥12,263 million. This was despite net cash used that led to a decrease of ¥4,632 million in trade payables, an increase of ¥2,681 million in inventories and an increase of ¥2,672 million in trade receivables and contract assets.

(Cash flows from investing activities)

Net cash used in investing activities was ¥2,657 million (compared with ¥2,613 million used in the previous fiscal year) mainly due to purchase of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,845 million (compared with ¥2,469 million used in the previous fiscal year) mainly due to dividend payments.

(4) Future Outlook

In respect of the outlook for the economy, despite its continued recovery trend, the economy is forecast to remain uncertain due to rising raw material and energy prices, affected by growing geopolitical risks, and to concerns over a potential downturn of overseas economies.

In the fire protection industry, although demand is expected to remain strong, there are concerns over the effects of rising raw material prices and regulatory maximum overtime work hours that will apply to the construction industry from April 2024.

Under these circumstances, the Group has formulated the vision for fiscal 2028 and measures to realize it as “Medium- to Long-Term Vision 2028: Shaping the Customers’ Expectations.” Under these circumstances, the Group in FY 2024, the third year of the Vision, will keep striving to revise prices and streamline its operations. Moreover, we will achieve an improved profitability by pursuing various measures put together previously as part of the Medium- to Long-Term Vision and by taking on the challenge of transforming into a company that can create higher added value.

Based on the above, with regard to the consolidated financial results forecast for the fiscal year ending March 31, 2025, we expect net sales of ¥120,800 million, operating income of ¥12,100 million, ordinary income of ¥12,400 million and net income attributable to owners of parent of ¥8,600 million, and aim for an operating profit margin of 10% or higher.

(5) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year

The Company sets out its basic policy to pay stable dividends over the long term, and returns profits to shareholders comprehensively taking into account the dividend payout ratio and other factors, while striving to strengthen its financial structure in preparation for future business development.

Under this policy, in addition to promoting “Medium- to Long-Term Vision 2028—Shaping the Customers’ Expectations,” the Company aimed to enhance stable and continuous returns to shareholders targeting a consolidated dividend payout ratio of 40% by the fiscal year ending March 31, 2025. As a result of recently reconsidering this in light of a perspective of capital efficiency enhancement, we concluded it would be desirable to further step up our shareholder return efforts while being mindful of the balance between them and our financial soundness.

Specifically, the Company decided to aim to raise its consolidated dividend payout ratio to 40% by the fiscal year ending March 31, 2025 and to raise the ratio to 50% by the fiscal year ending March 31, 2026 and thereafter.

In light of the above, with regard to dividends for the fiscal year under review, the year-end dividend will be ¥30 per share. As a result, including the interim dividend of ¥23 per share which has already been paid, the annual dividend for the fiscal year under review will total ¥53 per share.

The annual dividend for the next fiscal year will be ¥60 per share, which includes interim and year-end dividends of ¥30 per share each.

2. Basic Approach to the Selection of Accounting Standards

The Group plans to prepare consolidated financial statements in accordance with Japanese GAAP for the time being, taking into account the comparability of consolidated financial statements over time and between companies.

Regarding the adoption of the International Financial Reporting Standards (IFRS), we will take appropriate measures in consideration of domestic and overseas circumstances.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	48,805	46,550
Notes and accounts receivable–trade, and contract assets	46,395	49,134
Merchandise and finished goods	4,528	5,684
Work in process	1,309	1,419
Raw materials and supplies	6,641	8,143
Other	1,415	1,017
Allowance for doubtful accounts	(440)	(632)
Total current assets	108,655	111,318
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,239	12,641
Machinery, equipment and vehicles, net	692	627
Land	7,082	7,091
Construction in progress	129	131
Other, net	2,564	3,375
Total property, plant and equipment	23,709	23,868
Intangible assets		
Software	2,938	3,255
Goodwill	74	58
Other	69	67
Total intangible assets	3,082	3,382
Investments and other assets		
Investment securities	7,550	10,074
Long-term loans receivable	1	0
Retirement benefit assets	49	1,467
Deferred tax assets	5,445	4,387
Other	3,171	3,049
Allowance for doubtful accounts	(63)	(63)
Total investments and other assets	16,154	18,917
Total non-current assets	42,946	46,167
Total assets	151,602	157,485

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	4,305	4,430
Electronically recorded obligations–operating	5,231	-
Accounts payable	7,407	8,004
Income taxes payable	1,273	2,480
Contract liabilities	767	1,365
Provision for bonuses	3,507	3,648
Provision for product warranties	39	108
Provision for warranties for completed construction	85	64
Provision for loss on construction contracts	1,446	1,475
Other	1,609	3,248
Total current liabilities	25,672	24,826
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	147	165
Provision for product warranties	114	107
Reserve for loss on construction performance guarantee	182	189
Retirement benefit liability	7,683	5,575
Asset retirement obligations	118	128
Other	1,047	1,327
Total non-current liabilities	9,293	7,492
Total liabilities	34,966	32,318
Net assets		
Shareholders' equity		
Share capital	13,302	13,302
Capital surplus	12,937	12,945
Retained earnings	87,820	93,796
Treasury shares	(263)	(259)
Total shareholders' equity	113,797	119,784
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	917	2,146
Foreign currency translation adjustment	823	983
Remeasurements of defined benefit plans	(595)	724
Total accumulated other comprehensive income	1,145	3,854
Non-controlling interests	1,693	1,527
Total net assets	116,635	125,166
Total liabilities and net assets	151,602	157,485

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	105,537	118,506
Cost of sales	70,678	79,032
Gross profit	34,859	39,473
Selling, general and administrative expenses	25,980	27,810
Operating income	8,879	11,662
Non-operating income		
Interest income	22	17
Dividend income	83	91
Share of profit of entities accounted for using equity method	301	352
Foreign exchange gains	18	29
Rental income	57	56
Insurance return	39	20
Dividend income of insurance	9	5
Other	79	79
Total non-operating income	610	653
Non-operating expenses		
Interest expenses	12	17
Rental expenses	26	24
Commitment fees	6	6
Compensation for damage	13	8
Other	11	16
Total non-operating expenses	70	74
Ordinary income	9,420	12,242
Extraordinary income		
Gain on sale of investment securities	139	59
Gain on sale of non-current assets	774	-
Total extraordinary income	914	59
Extraordinary losses		
Loss on disposal of non-current assets	15	26
Provision for loss on construction performance guarantee	15	7
Loss on valuation of investment securities	5	5
Loss from COVID-19 pandemic	94	-
Total extraordinary losses	130	38
Income before income taxes	10,204	12,263
Income taxes—current	3,160	3,847
Income taxes—deferred	36	8
Total income taxes	3,196	3,855
Net income	7,007	8,407
Net loss attributable to non-controlling interests	(14)	(166)
Net income attributable to owners of parent	7,022	8,574

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	7,007	8,407
Other comprehensive income		
Valuation difference on available-for-sale securities	(118)	1,217
Foreign currency translation adjustment	214	226
Remeasurements of defined benefit plans, net of tax	(85)	1,320
Share of other comprehensive income of entities accounted for using equity method	2	11
Total other comprehensive income	12	2,776
Comprehensive income	7,020	11,184
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,962	11,283
Comprehensive income attributable to non-controlling interests	57	(99)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,302	12,920	83,094	(272)	109,045
Changes during period					
Dividends of surplus			(2,296)		(2,296)
Net income attributable to owners of parent			7,022		7,022
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		8		5	13
Restricted stock compensation		8		3	11
Net changes in items other than shareholders' equity					
Total changes during period	-	16	4,726	9	4,751
Balance at end of period	13,302	12,937	87,820	(263)	113,797

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,032	682	(509)	1,205	1,640	111,891
Changes during period						
Dividends of surplus						(2,296)
Net income attributable to owners of parent						7,022
Purchase of treasury shares						(0)
Disposal of treasury shares						13
Restricted stock compensation						11
Net changes in items other than shareholders' equity	(115)	141	(85)	(60)	53	(7)
Total changes during period	(115)	141	(85)	(60)	53	4,744
Balance at end of period	917	823	(595)	1,145	1,693	116,635

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,302	12,937	87,820	(263)	113,797
Changes during period					
Dividends of surplus			(2,598)		(2,598)
Net income attributable to owners of parent			8,574		8,574
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				-	-
Restricted stock compensation		8		3	12
Change in equity interest due to purchase of shares of consolidated subsidiaries		0			0
Net changes in items other than shareholders' equity					
Total changes during period	-	8	5,975	3	5,987
Balance at end of period	13,302	12,945	93,796	(259)	119,784

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	917	823	(595)	1,145	1,693	116,635
Changes during period						
Dividends of surplus						(2,598)
Net income attributable to owners of parent						8,574
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Restricted stock compensation						12
Change in equity interest due to purchase of shares of consolidated subsidiaries						0
Net changes in items other than shareholders' equity	1,229	159	1,320	2,709	(165)	2,543
Total changes during period	1,229	159	1,320	2,709	(165)	8,530
Balance at end of period	2,146	983	724	3,854	1,527	125,166

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	10,204	12,263
Depreciation	2,449	2,478
Amortization of goodwill	16	16
Share-based payment expenses	11	12
Increase (decrease) in allowance for doubtful accounts	(104)	184
Increase (decrease) in retirement benefit liability	116	(334)
Decrease (increase) in retirement benefit assets	-	(1,291)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(57)	18
Increase (decrease) in provision for bonuses	(108)	136
Increase (decrease) in provision for product warranties	6	62
Increase (decrease) in provision for warranties for completed construction	2	(20)
Increase (decrease) in provision for loss on construction contracts	159	29
Increase (decrease) in provision for loss on construction performance guarantee	15	7
Interest and dividend income	(106)	(108)
Insurance return	(39)	(20)
Interest expenses	12	17
Share of loss (profit) of entities accounted for using equity method	(301)	(352)
Loss (gain) on disposal of non-current assets	(759)	23
Loss (gain) on valuation of investment securities	5	5
Loss (gain) on sale of investment securities	(138)	(59)
Decrease (increase) in trade receivables and contractual assets	2,681	(2,672)
Decrease (increase) in inventories	(3,147)	(2,681)
Increase (decrease) in trade payables	473	(4,632)
Increase (decrease) in contract liabilities	(314)	597
Other	(1,530)	2,164
Subtotal	9,546	5,840
Interest and dividends received	109	108
Interest paid	(12)	(17)
Income tax paid	(4,449)	(2,651)
Cash flows from operating activities	5,194	3,279
Cash flows from investing activities		
Net decrease (increase) in time deposits	21	239
Payments into long-term deposits	(61)	-
Proceeds from withdrawal of long-term deposits	57	-
Purchase of non-current assets	(3,025)	(2,486)
Proceeds from sale of non-current assets	830	9
Purchase of investment securities	(176)	(491)
Proceeds from sale of investment securities	212	71
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	129	234
Other	(409)	(234)
Cash flows from investing activities	(2,613)	(2,657)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(4)	-
Redemption of bonds	(11)	(9)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(62)
Dividends paid	(2,296)	(2,598)
Dividends paid to non-controlling interests	(4)	(4)
Net decrease (increase) in treasury shares	(0)	(0)
Other	(153)	(170)
Cash flows from financing activities	(2,469)	(2,845)
Effect of exchange rate change on cash and cash equivalents	65	88
Net increase (decrease) in cash and cash equivalents	177	(2,134)
Cash and cash equivalents at beginning of period	47,507	47,684
Cash and cash equivalents at end of period	47,684	45,550

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Segment Information, Etc.)

1. Overview of Reportable Segments

The reportable segments of the Group are constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business results.

The Group is mainly involved in the fire protection business and has three reportable segments: “Fire Alarm Systems,” “Fire Extinguishing Systems” and “Maintenance Services.”

In the “Fire Alarm Systems” segment, it manufactures, sells and installs automatic fire alarm systems, environmental monitoring systems, hinged fire doors, smoke control systems and other products. In the “Fire Extinguishing Systems” segment, it manufactures, sells and installs a variety of sprinkler systems, foam systems and fire protection equipment for industrial plants, road tunnels and other products. In the “Maintenance Services” segment, it provides maintenance services and inspection services for a wide range of fire protection systems.

2. Method of Calculating Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment

The method of accounting for reported business segments is generally the same as the method of accounting applied for the preparation of consolidated financial statements.

Inter-segment revenues and transfers are based on prevailing market prices.

3. Information on Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment and Breakdowns of Revenue

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjust- ment (Note) 2	Amount recorded in consoli- dated financial statements (Note) 3
	Fire Alarm Systems	Fire Extinguishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	16,173	3,321	15,491	34,987	1,637	36,624	-	36,624
Goods or services transferred over a certain period of time	23,489	29,059	13,025	65,575	3,338	68,913	-	68,913
Revenue from contracts with customers	39,663	32,381	28,517	100,562	4,975	105,537	-	105,537
Net sales to external customers	39,663	32,381	28,517	100,562	4,975	105,537	-	105,537
Inter-segment sales or transfers	97	97	0	196	192	388	(388)	-
Subtotal	39,760	32,479	28,518	100,758	5,168	105,926	(388)	105,537
Segment income	6,509	4,231	5,807	16,548	283	16,832	(7,952)	8,879
Segment assets	52,599	35,523	15,232	103,354	4,923	108,278	43,324	151,602
Other items								
Depreciation	1,191	234	174	1,599	127	1,727	691	2,418
Amortization of goodwill	16	-	-	16	-	16	-	16
Investment in entities accounted for using equity method	-	3,350	-	3,350	-	3,350	-	3,350
Increase in property, plant and equipment and intangible assets	859	179	149	1,188	79	1,267	1,776	3,044

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

2 Adjustments are as follows.

- (1) The adjustment for segment income of ¥(7,952) million 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.
- (2) The adjustment for segment assets of ¥43,324 million is for corporate assets. Corporate assets mainly consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets related to administration and R&D departments, which are not attributable to reportable segments.
- (3) The adjustment for depreciation of ¥691 million is for depreciation related to corporate assets.
- (4) The adjustment for increase in property, plant and equipment and intangible assets of ¥1,776 million is for an increase in corporate assets.

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

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjust- ment (Note) 2	Amount recorded in consoli- dated financial statements (Note) 3
	Fire Alarm Systems	Fire Exting- guishing Systems	Mainte- nance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	18,518	3,462	15,853	37,834	1,495	39,330	-	39,330
Goods or services transferred over a certain period of time	24,486	34,782	16,289	75,558	3,617	79,176	-	79,176
Revenue from contracts with customers	43,005	38,245	32,143	113,393	5,113	118,506	-	118,506
Net sales to external customers	43,005	38,245	32,143	113,393	5,113	118,506	-	118,506
Inter-segment sales or transfers	254	30	0	285	195	481	(481)	-
Subtotal	43,259	38,275	32,143	113,678	5,309	118,987	(481)	118,506
Segment income	7,674	5,020	7,259	19,954	251	20,205	(8,542)	11,662
Segment assets	55,322	38,300	16,907	110,531	4,599	115,130	42,354	157,485
Other items								
Depreciation	1,217	269	189	1,675	101	1,777	689	2,467
Amortization of goodwill	16	-	-	16	-	16	-	16
Investment in entities accounted for using equity method	-	3,712	-	3,712	-	3,712	-	3,712
Increase in property, plant and equipment and intangible assets	1,136	315	271	1,722	116	1,839	642	2,482

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

2 Adjustments are as follows.

- (1) The adjustment for segment income of ¥(8,542) million 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.
- (2) The adjustment for segment assets of ¥42,354 million is for corporate assets. Corporate assets mainly consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets related to administration and R&D departments, which are not attributable to reportable segments.
- (3) The adjustment for depreciation of ¥689 million is for depreciation related to corporate assets.
- (4) The adjustment for increase in property, plant and equipment and intangible assets of ¥642 million is for an increase in corporate assets.

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

4. Related information

Fiscal year ended March 31, 2023

- (1) Information by product and service

The information has been omitted since the same information is disclosed in the segment information.

(2) Information by region

1) Net sales

This information has been omitted since net sales to external customers in Japan account for more than 90% of net sales in the consolidated statement of income.

2) Property, plant and equipment

The information has been omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

(3) Information by major customer

The information has been omitted since there are no external customers accounting for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended March 31, 2024

(1) Information by product and service

The information has been omitted since the same information is disclosed in the segment information.

(2) Information by region

1) Net sales

This information has been omitted since net sales to external customers in Japan account for more than 90% of net sales in the consolidated statement of income.

2) Property, plant and equipment

The information has been omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

(3) Information by major customer

The information has been omitted since there are no external customers accounting for 10% or more of net sales in the consolidated statement of income.

5. Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Amortization during period	16	-	-	16	-	16	-	16
Balance at end of period	74	-	-	74	-	74	-	74

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other	Total	Adjustment	Amount recorded in consolidated financial statements
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Amortization during period	16	-	-	16	-	16	-	16
Balance at end of period	58	-	-	58	-	58	-	58

(Per Share Information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	1,905.14 yen	2,049.07 yen
Net income per share	116.42 yen	142.10 yen

(Notes) 1. Diluted net income per share is not stated because there are no dilutive shares.

2. The basis for calculating net income per share is as follows.

Item	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income per share		
Net income attributable to owners of parent (Million yen)	7,022	8,574
Amount not attributable to common shareholders (Million yen)	-	-
Net income attributable to owners of parent related to common shares (Million yen)	7,022	8,574
Average number of common shares during the period (Shares)	60,320,408	60,337,047

(Significant Subsequent Events)

Not applicable.

(Statement of Net Sales, Orders Received and Order Backlog by Product)

Statement of net sales by product

(Millions of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	39,663	37.6%	43,005	36.3%	3,342	8.4%
Fire Extinguishing Systems	32,381	30.7%	38,245	32.3%	5,863	18.1%
Maintenance Services	28,517	27.0%	32,143	27.1%	3,625	12.7%
Other	4,975	4.7%	5,113	4.3%	137	2.8%
Total	105,537	100.0%	118,506	100.0%	12,968	12.3%

Statement of orders received by product

(Millions of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	40,707	35.7%	44,444	36.0%	3,736	9.2%
Fire Extinguishing Systems	39,158	34.3%	40,773	33.0%	1,615	4.1%
Maintenance Services	29,640	25.9%	32,936	26.7%	3,296	11.1%
Other	4,662	4.1%	5,338	4.3%	676	14.5%
Total	114,168	100.0%	123,492	100.0%	9,324	8.2%

Statement of orders backlog by product

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024		Change	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage change
Fire Alarm Systems	13,594	23.0%	15,033	23.5%	1,439	10.6%
Fire Extinguishing Systems	38,857	65.8%	41,385	64.6%	2,528	6.5%
Maintenance Services	5,487	9.3%	6,281	9.8%	793	14.5%
Other	1,096	1.9%	1,321	2.1%	225	20.5%
Total	59,035	100.0%	64,022	100.0%	4,986	8.4%