

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 9, 2022

## Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: NOHMI BOSAI LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6744  
 URL: <https://www.nohmi.co.jp/>  
 Representative: Takeshi Okamura, President and Representative Director  
 Inquiries: Yasuhiro Ono, Executive Officer in charge of General Affairs Department  
 Telephone: +81-3-3265-0214  
 Scheduled date to file quarterly securities report: November 11, 2022  
 Scheduled date to commence dividend payments: December 5, 2022  
 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, 2022 (from April 1, 2022 to September 30, 2022)

#### (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, 2022	43,918	(12.2)	490	(89.4)	684	(86.0)	406	(88.0)
Six months ended September 30, 2021	49,999	9.3	4,639	46.0	4,898	44.9	3,373	56.0

(Note) Comprehensive income Six months ended September 30, 2022: ¥867 million [(76.9)%]  
 Six months ended September 30, 2021: ¥3,757 million [59.5%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2022	6.74		-	
Six months ended September 30, 2021	55.94		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	141,080		111,672		77.9	
As of March 31, 2022	148,599		111,891		74.2	

(Reference) Equity  
 As of September 30, 2022: ¥109,932 million  
 As of March 31, 2022: ¥110,250 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, 2022	-	18.00	-	18.00	36.00
Fiscal year ending March 31, 2023	-	20.00			
Fiscal year ending March 31, 2023 (forecast)			-	20.00	40.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	111,000	(1.7)	10,100	(20.1)	10,400	(20.9)	7,150	(23.5)	118.54

(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 a 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, 2022	60,832,771 shares
As of March 31, 2022	60,832,771 shares

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

As of September 30, 2022	511,054 shares
As of March 31, 2022	517,921 shares

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

Six months ended September 30, 2022	60,317,797 shares
Six months ended September 30, 2021	60,299,709 shares

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

\* Proper use of earnings forecasts 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 Earnings Forecasts and Other Forward-Looking Information” on page 2 of the Consolidated Financial Results for the Six Months Ended September 30, 2022 (Attachments) for the assumptions for earnings forecasts and notes on using earnings forecasts.

Table of Contents of Attachments

1.	Qualitative Information on Quarterly Financial Results.....	2
	(1) Explanation of Operating Results.....	2
	(2) Explanation of Financial Position.....	2
	(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information .....	2
2.	Quarterly Consolidated Financial Statements and Key Notes .....	3
	(1) Quarterly Consolidated Balance Sheet .....	3
	(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income .....	5
	(3) Quarterly Consolidated Statements of Cash Flows .....	7
	(4) Notes to Quarterly Consolidated Financial Statements .....	9
	(Notes on Going Concern Assumptions) .....	9
	(Notes on Significant Changes in the Amount of Shareholders' Equity) .....	9
	(Application of accounting treatment specific to the preparation of quarterly consolidated financial statements).....	9
	(Segment Information) .....	10

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2022, the Japanese economy saw signs of normalization of economic and social activities amid the continued impact of COVID-19, but the future remained uncertain due to factors such as the prolonged situation in Ukraine and the rapid depreciation of the yen.

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

Despite 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, we have been undertaking a variety of initiatives to transform itself into a company that can create higher added value.

As a result of our ongoing business activities while striving to prevent the spread of COVID-19 under this medium- to long-term vision, orders received in the six months ended September 30, 2022 totaled ¥65,103 million (up 2.2% year-on-year) and net sales were ¥43,918 million (down 12.2% year-on-year).

As for profit, operating income was ¥490 million (down 89.4% year-on-year), ordinary income was ¥684 million (down 86.0% year-on-year), and net income attributable to owners of parent was ¥406 million (down 88.0% year-on-year). This was due to delays in the progress of some properties and the concentration of relatively profitable projects in the previous consolidated fiscal year.

By business segment, net sales for fire alarm systems were ¥15,886 million (down 16.3% year-on-year), operating income was ¥1,130 million (down 72.3% year-on-year), net sales for fire extinguishing systems were ¥14,253 million (down 16.8% year-on-year), operating income was ¥1,365 million (down 40.1% year-on-year), and for maintenance services, net sales were ¥11,509 million (down 0.9% year-on-year), operating income was ¥1,635 million (down 10.9% year-on-year), and for others, net sales were ¥2,269 million (down 0.7% year-on-year) and operating income was ¥105 million (compared with an operating loss of ¥36 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets at the end of the second quarter of the current fiscal year dropped ¥7,519 million from the end of the previous fiscal year to ¥141,080 million. This was mainly due to a decrease of ¥15,925 million in notes and accounts receivable-trade and contractual assets, despite an increase of ¥3,080 million in cash and deposits and an increase of ¥1,410 million in merchandise and finished goods.

Liabilities fell ¥7,300 million from the end of the previous fiscal year to ¥29,408 million due to a decrease in income taxes payable of ¥2,028 million and a decrease in provision for bonuses of ¥2,020 million.

Net assets fell ¥218 million from the end of the previous fiscal year to ¥111,672 million, mainly due to the payment of dividends.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

Regarding the full-year earnings forecast for the fiscal year ending March 2023, there are no changes to the forecast announced on May 11, 2022, due to the steady increase in orders received at the end of the second quarter of the current fiscal year.

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)	
	FY2022 (As of March 31, 2022)	2Q FY2023 (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	48,663	51,744
Notes and accounts receivable–trade, and contract assets	48,991	33,065
Merchandise and finished goods	2,943	4,354
Work in process	1,011	1,425
Raw materials and supplies	5,289	6,497
Other	865	1,808
Allowance for doubtful accounts	(540)	(572)
Total current assets	107,225	98,322
Non-current assets		
Property, plant and equipment	22,900	23,993
Intangible assets	2,996	3,068
Investments and other assets		
Investment securities	7,314	7,485
Other	8,223	8,279
Allowance for doubtful accounts	(61)	(67)
Total investments and other assets	15,476	15,696
Total non-current assets	41,374	42,758
Total assets	148,599	141,080
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	4,359	3,600
Electronically recorded obligations–operating	5,016	4,383
Short-term borrowings	4	0
Income taxes payable	2,613	584
Provision for bonuses	3,610	1,589
Provision for product warranties	14	100
Provision for warranties for completed construction	82	79
Provision for loss on construction contracts	1,286	1,573
Asset retirement obligations	20	20
Other	10,795	8,376
Total current liabilities	27,804	20,308
Non-current liabilities		
Bonds payable	9	2
Provision for retirement benefits for directors (and other officers)	204	145
Provision for product warranties	132	131
Reserve for loss on construction performance guarantee	167	167
Retirement benefit liability	7,431	7,408
Asset retirement obligations	118	117
Other	840	1,126
Total non-current liabilities	8,903	9,099
Total liabilities	36,708	29,408

(Millions of yen)

	FY2022 (As of March 31, 2022)	2Q FY2023 (As of September 30, 2022)
Net assets		
Shareholders' equity		
Share capital	13,302	13,302
Capital surplus	12,920	12,922
Retained earnings	83,094	82,413
Treasury shares	(272)	(268)
Total shareholders' equity	109,045	108,369
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,032	966
Foreign currency translation adjustment	682	1,028
Remeasurements of defined benefit plans	(509)	(433)
Total accumulated other comprehensive income	1,205	1,562
Non-controlling interests	1,640	1,740
Total net assets	111,891	111,672
Total liabilities and net assets	148,599	141,080

## (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, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net sales	49,999	43,918
Cost of sales	33,654	31,226
Gross profit	16,345	12,691
Selling, general and administrative expenses	11,706	12,201
Operating income	4,639	490
Non-operating income		
Interest income	7	7
Dividend income	45	52
Share of profit of entities accounted for using equity method	76	88
Subsidy income	48	0
Insurance return	6	9
Other	142	66
Total non-operating income	327	225
Non-operating expenses		
Interest expenses	4	3
Foreign exchange losses	25	2
Rental expenses	12	12
Other	25	13
Total non-operating expenses	68	30
Ordinary income	4,898	684
Extraordinary income		
Gain on sale of investment securities	—	38
Gain on sale of non-current assets	13	—
Total extraordinary income	13	38
Extraordinary losses		
Loss from COVID-19 pandemic	—	101
Loss on disposal of non-current assets	9	4
Loss on valuation of investment securities	0	—
Total extraordinary losses	10	105
Quarterly net income before taxes	4,900	617
Income taxes	1,558	284
Quarterly net income	3,342	333
Quarterly net income attributable to non-controlling interests	(31)	(73)
Quarterly net income attributable to owners of parent	3,373	406



## Quarterly Consolidated Statements of Comprehensive Income

Consolidated six-month period

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Quarterly net income	3,342	333
Other comprehensive income		
Valuation difference on available-for-sale securities	36	(64)
Foreign currency translation adjustment	299	523
Remeasurements of defined benefit plans, net of tax	78	76
Share of other comprehensive income of entities accounted for using equity method	1	(1)
Total other comprehensive income	415	534
Quarterly comprehensive income	3,757	867
Quarterly comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	3,688	763
Quarterly comprehensive income attributable to non-controlling interests	68	103

## (3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Quarterly net income before taxes	4,900	617
Depreciation	1,193	1,313
Amortization of goodwill	5	5
Share-based payment expenses	2	5
Increase (decrease) in allowance for doubtful accounts	25	22
Increase (decrease) in retirement benefit liability	11	72
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(59)
Increase (decrease) in provision for bonuses	(1,829)	(2,031)
Increase (decrease) in provision for product warranties	(17)	84
Increase (decrease) in provision for warranties for completed construction	13	(3)
Interest and dividend income	(52)	(60)
Insurance return	(6)	(9)
Interest expenses	4	3
Share of loss (profit) of entities accounted for using equity method	(76)	(88)
Loss (gain) on disposal of non-current assets	(3)	4
Loss (gain) on valuation of investment securities	0	—
Loss (gain) on sale of investment securities	—	(38)
Decrease (increase) in trade receivables and contractual assets	4,389	16,105
Decrease (increase) in inventories	(767)	(2,820)
Increase (decrease) in trade payables	(3,020)	(2,907)
Increase (decrease) in contract liabilities	266	938
Other	(1,289)	(2,541)
Subtotal	3,754	8,612
Interest and dividends received	62	62
Interest paid	(4)	(3)
Income tax paid	(1,178)	(2,148)
Cash flows from operating activities	2,634	6,522
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(0)	(0)
Payments into long-term deposits	(85)	—
Proceeds from withdrawal of long-term deposits	85	—
Purchase of non-current assets	(1,212)	(2,201)
Purchase of investment securities	(466)	(173)
Proceeds from sales of investment securities	—	39
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	24	43
Other	72	(17)
Cash flows from investing activities	(1,581)	(2,501)

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Repayments of long-term borrowings	(8)	(4)
Redemption of bonds	(30)	(5)
Dividends paid	(996)	(1,087)
Other	(71)	(79)
Cash flows from financing activities	(1,107)	(1,177)
Effect of exchange rate changes on cash and cash equivalents	89	162
Net increase (decrease) in cash and cash equivalents	34	3,006
Cash and cash equivalents at beginning of period	50,959	47,507
Cash and cash equivalents at end of quarter	50,994	50,513

(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 income before income taxes for the consolidated fiscal year including the second quarter of the current fiscal year and multiplying quarterly income before income taxes by the estimated effective tax rate.

## (Segment Information)

## I Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

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	10,936	1,293	7,281	19,511	986	20,497	-	20,497
Goods or services transferred over a certain period of time	8,037	15,829	4,335	28,202	1,299	29,502	-	29,502
Revenue from contracts with customers	18,974	17,122	11,616	47,713	2,286	49,999	-	49,999
Net sales to external customers	18,974	17,122	11,616	47,713	2,286	49,999	-	49,999
Intersegment sales or transfers	25	33	0	60	91	151	(151)	-
Subtotal	19,000	17,156	11,616	47,773	2,377	50,151	(151)	49,999
Segment income or (segment loss)	4,083	2,279	1,836	8,199	(36)	8,162	(3,523)	4,639

- (Notes) 1 The "Others" segment is not included in the reportable segment and includes parking lot and lane control systems.
- 2 An adjustment of -3,523 million yen for segment income (loss) 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 (loss) is adjusted for operating income in the quarterly consolidated statements of income.

## II 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 "Others" segment is not included in the reportable segment and includes parking lot and lane control systems.
- 2 An adjustment of -3,746 million yen for segment income 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 adjusted for operating income in the quarterly consolidated statements of income.