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August 8, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (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
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Scheduled date to commence dividend payments: -
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (from April 1, 2024, to June 30, 2024)

(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	%
Three months ended June 30, 2024	24,067	11.1	507	-	648	-	371	-
Three months ended June 30, 2023	21,666	6.7	(135)	-	31	-	(2)	-

(Note) Comprehensive income Three months ended June 30, 2024: ¥300 million [(15.1)%]
Three months ended June 30, 2023: ¥354 million [-%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2024	6.24	-
Three months ended June 30, 2023	(0.04)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	148,407	119,947	79.8
As of March 31, 2024	157,485	125,166	78.5

(Reference) Equity
As of June 30, 2024: ¥118,390 million
As of March 31, 2024: ¥123,638 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, 2024	-	23.00	-	30.00	53.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (forecast)		30.00	-	30.00	60.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 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	25.17
Full year	120,800	1.9	12,100	3.7	12,400	1.3	8,600	0.3	144.32

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

*** Notes**

(1) Significant change in the scope of consolidation during the period: 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 June 30, 2024	60,832,771 shares
As of March 31, 2024	60,832,771 shares

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

As of June 30, 2024	1,993,815 shares
As of March 31, 2024	493,735 shares

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

Three months ended June 30, 2024	59,588,996 shares
Three months ended June 30, 2023	60,332,520 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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 Three Months Ended June 30, 2024 (Attachments) for the assumptions for financial results forecast and notes on using the financial results forecast.

○ Table of Contents of Attachments

1. Outline of Operating Results 2
(1) Outline of Quarterly Operating Results 2
(2) Outline of Quarterly Financial Position 2
(3) Explanation of Consolidated Financial Results Forecast 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) Notes to Quarterly Consolidated Financial Statements 7
(Application of accounting treatment specific to the preparation of quarterly consolidated financial statements) 7
(Notes to Segment Information) 8
(Notes on Significant Changes in the Amount of Shareholders' Equity) 10
(Notes on Going Concern Assumptions) 10
(Notes to Consolidated Statement of Cash Flows) 10

1. Outline of Operating Results

(1) Outline of Quarterly Operating Results

During the three months ended June 30, 2024, the Japanese economy continued a moderate recovery trend amid improvements in the employment and income situation. On the other hand, the outlook remained uncertain due to rising prices, exchange rate fluctuations and an unstable international situation.

In the fire protection industry, capital investment grew moderately amid an improvement in corporate profits and business confidence, leading to strong demand. However, it is necessary to pay close attention mainly to the effects of rising raw material prices as well as the regulatory maximum overtime working hours that began to be applied to the construction industry from April 2024.

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 third year of this medium- to long-term vision, orders received in the three months ended June 30, 2024, totaled ¥45,119 million (up 22.9% year-on-year) and net sales were ¥24,067 million (up 11.1% year-on-year).

In terms of profits, mainly due to an increase in net sales amid a solid demand environment and the continued effort to revise prices and streamline operations, operating income was ¥507 million (compared with operating loss of ¥135 million in the same period of the previous fiscal year), ordinary income came to ¥648 million (compared with ordinary income of ¥31 million in the same period of the previous fiscal year), and quarterly net income attributable to owners of parent was ¥371 million (compared with quarterly net loss attributable to owners of parent of ¥2 million in the same period of the previous fiscal year).

By business segment, net sales and operating income in the Fire Alarm Systems segment were ¥8,779 million (up 14.6% year-on-year) and ¥1,132 million (up 146.9% year-on-year), respectively. Net sales and operating income in the Fire Extinguishing Systems segment amounted to ¥8,553 million (up 14.0% year-on-year) and ¥899 million (up 34.3% year-on-year), respectively. Net sales and operating income in the Maintenance Services segment were ¥5,670 million (up 5.4% year-on-year) and ¥562 million (down 19.2% year-on-year), respectively. Net sales and operating loss in the Others segment recorded ¥1,064 million (down 5.2% year-on-year) and ¥5 million (compared with operating loss of ¥13 million in the same period of the previous fiscal year), respectively.

(2) Outline of Quarterly Financial Position

Total assets at the end of the first quarter of the fiscal year under review were ¥ 148,407 million, down ¥9,078 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥13,947 million in notes and accounts receivable–trade, and contract assets and a decrease of ¥546 million in cash and deposits, despite an increase of ¥3,600 million in securities and an increase of ¥869 million in raw materials and supplies.

Liabilities fell ¥3,858 million from the end of the previous fiscal year to ¥28,460 million. This was mainly due to a decrease of ¥1,853 million in income taxes payable and a decrease of ¥1,181 million in notes and accounts payable–trade despite an increase of ¥948 million in provision for bonuses.

Net assets were down ¥5,219 million from the end of the previous fiscal year to ¥119,947 million, mainly due to the purchase of treasury shares and dividend payments.

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

Regarding the financial results forecast for the six months ending September 30, 2024, and the full year, there are no changes to the forecast announced on May 9, 2024.

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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	46,550	46,003
Notes and accounts receivable–trade, and contract assets	49,134	35,187
Securities	-	3,600
Merchandise and finished goods	5,684	5,923
Work in process	1,419	1,814
Raw materials and supplies	8,143	9,012
Other	1,017	1,200
Allowance for doubtful accounts	(632)	(559)
Total current assets	111,318	102,182
Non-current assets		
Property, plant and equipment	23,868	23,684
Intangible assets	3,382	3,353
Investments and other assets		
Investment securities	10,074	9,849
Other	8,905	9,401
Allowance for doubtful accounts	(63)	(63)
Total investments and other assets	18,917	19,187
Total non-current assets	46,167	46,225
Total assets	157,485	148,407
Liabilities		
Current liabilities		
Notes and accounts payable–trade	4,430	3,249
Income taxes payable	2,480	626
Provision for bonuses	3,648	4,597
Provision for product warranties	108	91
Provision for warranties for completed construction	64	87
Provision for loss on construction contracts	1,475	1,403
Other	12,617	10,964
Total current liabilities	24,826	21,020
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	165	158
Provision for product warranties	107	106
Reserve for loss on construction performance guarantee	189	189
Retirement benefit liability	5,575	5,591
Asset retirement obligations	128	128
Other	1,327	1,265
Total non-current liabilities	7,492	7,439
Total liabilities	32,318	28,460

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	13,302	13,302
Capital surplus	12,945	12,948
Retained earnings	93,796	92,354
Treasury shares	(259)	(3,963)
Total shareholders' equity	119,784	114,642
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,146	1,926
Foreign currency translation adjustment	983	1,098
Remeasurements of defined benefit plans	724	723
Total accumulated other comprehensive income	3,854	3,747
Non-controlling interests	1,527	1,557
Total net assets	125,166	119,947
Total liabilities and net assets	157,485	148,407

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

Quarterly Consolidated Statements of Income

Consolidated three-month period

(Millions of yen)

	Three months ended June 30, 2023 (From April 1, 2023, to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)
Net sales	21,666	24,067
Cost of sales	15,415	16,775
Gross profit	6,251	7,291
Selling, general and administrative expenses	6,387	6,784
Operating income or (loss)	(135)	507
Non-operating income		
Interest income	0	2
Dividend income	53	67
Share of profit of entities accounted for using equity method	65	36
Foreign exchange gains	15	12
Insurance return	6	0
Other	45	53
Total non-operating income	187	171
Non-operating expenses		
Interest expenses	4	4
Rental expenses	5	5
Other	9	19
Total non-operating expenses	19	29
Ordinary income	31	648
Extraordinary losses		
Loss on disposal of non-current assets	2	0
Total extraordinary losses	2	0
Income before income taxes	29	648
Income taxes	67	299
Net income or (loss)	(37)	349
Net loss attributable to non-controlling interests	(35)	(22)
Net income attributable to owners of parent or (net loss attributable to owners of parent)	(2)	371

Quarterly Consolidated Statements of Comprehensive Income

Consolidated three-month period

(Millions of yen)

	Three months ended June 30, 2023 (From April 1, 2023, to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)
Net income or (loss)	(37)	349
Other comprehensive income		
Valuation difference on available-for-sale securities	279	(223)
Foreign currency translation adjustment	84	172
Remeasurements of defined benefit plans, net of tax	24	(1)
Share of other comprehensive income of entities accounted for using equity method	3	4
Total other comprehensive income	392	(48)
Comprehensive income	354	300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	359	265
Comprehensive income attributable to non-controlling interests	(5)	35

(3) Notes to Quarterly Consolidated Financial Statements

The Company's quarterly consolidated financial statements were prepared in accordance with Article 4, Paragraph 1 of the Principles for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the Accounting Principles for Quarterly Financial Statements that are generally accepted in Japan (however, the omission prescribed in Article 4, Paragraph 2 of the Principles for Preparation of Quarterly Financial Statements, etc. has been applied).

(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 first quarter of the fiscal year under review and multiplying income before income taxes by the estimated effective tax rate.

(Notes to Segment Information)

I Three months ended June 30, 2023 (from April 1, 2023, to June 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	Adjustment (Note) 2	Amount reported on the quarterly consolidated statements of income (Note) 3
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	3,604	395	3,082	7,082	333	7,415	-	7,415
Goods or services transferred over a certain period of time	4,057	7,106	2,296	13,461	790	14,251	-	14,251
Revenue from contracts with customers	7,661	7,502	5,378	20,543	1,123	21,666	-	21,666
Net sales to external customers	7,661	7,502	5,378	20,543	1,123	21,666	-	21,666
Intersegment sales or transfers	20	7	-	27	50	77	(77)	-
Subtotal	7,682	7,509	5,378	20,570	1,173	21,744	(77)	21,666
Segment income or (segment loss)	458	669	696	1,824	(13)	1,811	(1,947)	(135)

(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 or (segment loss) of ¥(1,947) 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.

3 Segment income or (segment loss) is reconciled to operating loss in the quarterly consolidated statements of income.

II Three months ended June 30, 2024 (from April 1, 2024, to June 30, 2024)

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	Adjustment (Note) 2	Amount reported on the quarterly consolidated statements of income (Note) 3
	Fire Alarm Systems	Fire Extinguishing Systems	Maintenance Services	Subtotal				
Net sales								
Goods or services transferred at a point in time	4,172	393	3,261	7,827	321	8,149	-	8,149
Goods or services transferred over a certain period of time	4,606	8,159	2,408	15,175	743	15,918	-	15,918
Revenue from contracts with customers	8,779	8,553	5,670	23,003	1,064	24,067	-	24,067
Net sales to external customers	8,779	8,553	5,670	23,003	1,064	24,067	-	24,067
Intersegment sales or transfers	21	9	-	30	52	83	(83)	-
Subtotal	8,800	8,562	5,670	23,033	1,117	24,151	(83)	24,067
Segment income or (segment loss)	1,132	899	562	2,594	(5)	2,589	(2,082)	507

(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 or (segment loss) of ¥(2,082) 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.

3 Segment income or (segment loss) is reconciled to operating income in the quarterly consolidated statements of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)
Not applicable.

(Notes on Going Concern Assumptions)
Not applicable.

(Notes to Consolidated Statement of Cash Flows)
The Company has not prepared a consolidated statement of cash flows for the first quarter under review. Depreciation and amortization (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the consolidated first quarter are as follows.

	Three months ended June 30, 2023 (From April 1, 2023, to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)
Depreciation and amortization	654 million yen	653 million yen
Amortization of goodwill	4	4