NOHMI BOSAI LTD.

4-7-3 Kudan-Minami, Chiyoda-ku, Tokyo 102-8277 Japan

https://www.nohmi.co.jp/english/

Printed in Japan

NOHMI BOSAI LTD.

Integrated Report 2024



NOHMI BOSAI LTD.

NOHMI INTEGRATED REPORT

2024

Integrated Report

Fiscal 2023





Profile

NOHMI BOSAI LTD. is a pioneer in the disaster prevention business in Japan, active for more than a century dating back to the establishment of predecessor company Nohmi Shokai in 1916. Offering automatic fire alarm and fire extinguishing systems, the Company has developed into a leading comprehensive disaster prevention enterprise in Japan. Under an integrated structure covering everything from R&D to system design/engineering, manufacturing, sales, installation and maintenance, the Company can provide the leading edge in multifaceted disaster prevention systems. In addition to a strong domestic presence, the Company is actively expanding to overseas markets, such as Southeast Asia.

Company Creed

As a pioneer in the disaster prevention business, we are committed to the mission and contribute to the safety of society.

Management Principle

Under a comprehensive system, from research and development to maintenance, we will continue to provide the latest and optimal disaster prevention systems to protect life and property from disaster, throughout Japan and the rest of the world.

CONTENTS

Nohmi Bosai History 02
Nohmi Bosai Today 04
Nohmi Bosai—Here, There, Everywhere 06
Nohmi Bosai's Value Creation Process 08
A Message from the President 10
Medium- to Long-Term Vision 2028
—Shaping the Customers' Expectations— 16
A Message from Officer in Charge of Finance 19
Employee Roundtable Discussion 22
Nohmi Bosai—Sustainability 26
Nohmi Bosai—Materiality 27
Roundtable Discussion with Outside Directors 43
Corporate Governance 46
Management Structure 52
Financial/Non-Financial Highlights 54
Company Profile 56
Stock Information 57

Editorial policy

The purpose of this report is to enable stakeholders to acquire a deeper understanding of Nohmi Bosai, its business activities and wider initiatives. It is designed as a comprehensive information and communication tool featuring financial and non-financial content, including basic information, financial data, management strategies and sustainability information. Some topics in the report are covered in more detail on the Company's corporate website, and we encourage readers to use this report in conjunction with the website.

Cautionary note regarding forward-looking statements

Forward-looking statements in this integrated report are estimates based on information available to the Company as of the publication date. Known and unknown risks and uncertainties are inherent in such forward-looking statements. Please be aware that actual results may differ substantially from expectations, due to changes in various key factors upon which estimates are formed. In addition, the Company will not in any case whatsoever guarantee achievement of forward-looking statements made in this integrated report.



Nohmi Bosai History

Pioneer in disaster prevention business with Japan's first installation of automatic fire alarm systems

1916–1960
Decision to pursue fire protection business prompted by scenes of destruction in wake of the Great Kanto Earthquake

1961–1980
Development of new systems and equipment as pioneer in disaster prevention business

1981–2000
Development of competitive strength in disaster prevention business globally

2001–
Approaches to prevent disaster continue to evolve in tandem with changes in society

Management history

1916
Teruichi Nohmi established Nohmi Shokai in Osaka

1924
Triggered by the Great Kanto Earthquake in previous year, entered disaster prevention business with sale of automatic fire alarm systems

1944
Nohmi Shokai dissolved, and Nippon Bosai Tsushin Kogyo Co., Ltd. newly established

1948
Changed company name to Nohmi Bosai Kogyo Co., Ltd.


Teruichi Nohmi
Founder

1962
Listed on Second Section of Tokyo Stock Exchange

1964
Head office building and Menuma Factory completed


Menuma Factory, at time of completion (Menuma-machi, Osato-gun, Saitama (now, Kumagaya, Saitama))

1981
Established Taiwan Nohmi Bosai Kogyo Co., Ltd. (now, Nohmi Taiwan Ltd.)

1989
Changed company name to NOHMI BOSAI LTD.

1991
Listed on First Section of Tokyo Stock Exchange

1995
Established joint venture Nohmi Secom Fire Protection (Beijing) Co., Ltd. (now, Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.) in China

2008
Established joint venture Unitech Nohmi Fire Protection System Pvt. Ltd. (now, Nohmi Bosai (India) Pvt. Ltd.) in India

2010
Opened R&D center in Misato, Saitama

2016
Celebrated 100th anniversary

2017
Opened exhibition facility "Nohmi Technorium Menuma"

Expanded Menuma Factory


Menuma Factory

2022
Relocated Mitaka Factory into newly constructed building

Moved to Prime Market of Tokyo Stock Exchange


Mitaka Factory

2024
Transitioned from company with an Audit & Supervisory Board to company with an Audit & Supervisory Committee

Product history

1933
Installed the first automatic fire alarm system at Sanjusangen-do Temple, designated a national treasure

1934
Installed the first marine automatic fire alarm systems on *Nihonkai-Maru* and *Chokai-Maru*, in accordance with Ship Safety Act

1936
Installed automatic fire alarm systems at the Imperial Palace, Okukyuden, where the Emperor lived


Photo to commemorate installation at the Imperial Palace

1956
Installed the first hot line insulator washing systems at Chiba Thermal Power Station, operated by Tokyo Electric Power Company

1957
Installed sprinkler systems on *Argentina-Maru*, marking first use of such system on maritime vessel

1962
Installed the first fire protection system in a Japanese highway tunnel, Kajiwara-Tennozan Tunnel on Meishin Expressway

1968
Installed the first fire protection system in Japan's first office skyscraper, Kasumigaseki Building

1972
Developed equipment for fire and smoke control system

1974
Developed fire protection systems for LNG bases

1979
Launched sales of Mamoru-kun, residential-use fire alarm equipment


Mamoru-kun

1983
Installed the first aircraft-use smoke detectors on airplanes of Japan Airlines

1987
Developed fire alarm systems using optical LAN

Installed fire protection systems in Seikan Tunnel and fire extinguishing systems on Seto Ohashi Bridge

1999
Began selling Sqall, a fire extinguishing system for indoor parking lots, and SR100, an automatic water spray system for large spaces


SR100

2006
Began selling DRYMIST, an outdoor heat-cooling system

2014
Won Good Design Gold Award for manual fire alarm box with ring-shaped location lamp

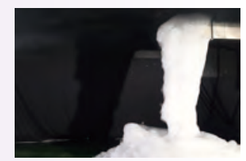
2019
Began selling TASKis, cloud-based disaster response support software

2021
Released "Panic in the Office," a virtual reality fire experience

2024
Developed environment-friendly fire extinguishing foam that does not use PFAS (fluorinated organic compounds)

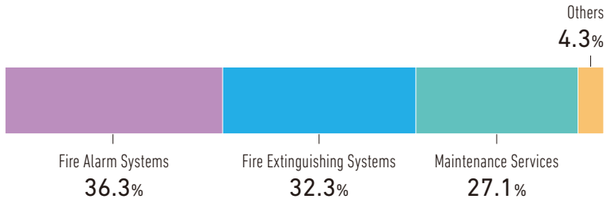

DRYMIST


Manual fire alarm box with ring-shaped location lamp


Fire extinguishing foam that does not use PFAS

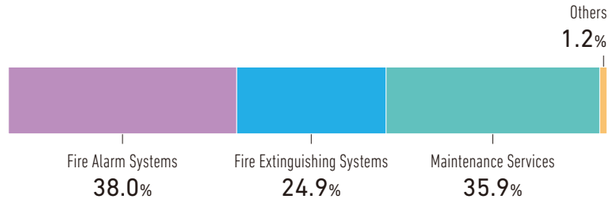
Net sales breakdown by segment (Fiscal 2023)

Consolidated net sales
¥118.5 billion



Operating income breakdown by segment (Fiscal 2023)

Consolidated operating income
¥11.6 billion



*Graph for breakdown of operating income excludes corporate expenses that are included in operating income.

Business segment

Fire Alarm Systems



Fire alarm systems, fire and smoke control systems, gas leakage detectors, emergency broadcasting systems, evacuation guidance systems, disaster prevention systems for houses, environment monitoring systems

Business activities

This segment provides a wide assortment of fire alarm systems and equipment, including automatic fire alarm systems, fire and smoke control systems and environment monitoring systems, for use in a broad range of customer locations, from homes to large-scale facilities. Featuring leading-edge technology, these products have earned top marks from the market for quality assurance reflecting the pursuit of outstanding practicality and customer safety.

Nohmi Bosai emphasizes development of highly reliable products matched to today's diversifying building requirements and also engages in development of fire alarm systems compliant with overseas standards.

Fire Extinguishing Systems



Fire extinguishing systems such as sprinklers, systems to protect cultural assets, fire protection systems for industrial plants, fire protection systems for tunnels

This segment offers product lines such as various types of sprinkler systems, foam fire extinguishing systems and nitrogen gas fire suppression systems for large-scale structures, especially office buildings, commercial facilities, industrial plants and factories, and road tunnels. The Nohmi Bosai Group is known for excellent technologies specific to the design and installation of fire extinguishing systems in road tunnels and at specialized structures, such as chemical plants and cultural assets.

To address changes in society, the Company will pursue development of distinctive products that combine technologies unique to the Nohmi Bosai Group as well as development of products aimed at cultivating new markets.

Maintenance Services



Maintenance/inspection services and repair/renewal services for fire protection equipment

Fire protection systems require more than just the installation of the best equipment in the right places. Maintenance and inspections are essential to ensure that the quality of inherent components enables systems to function properly.

This segment provides a wide range of maintenance and inspection services related to all types of fire protection equipment, including around-the-clock support services, as well as repair services, to ensure a high level of safety. As a manufacturer, Nohmi Bosai knows fire protection systems inside and out, and this expertise ensures customers have access to high-value-added services from this segment.

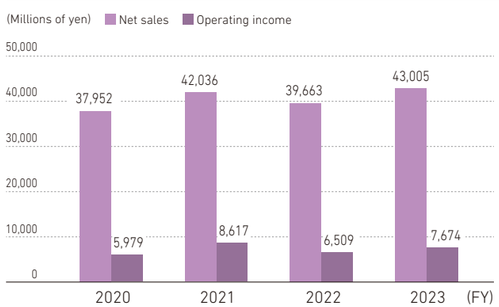
Others

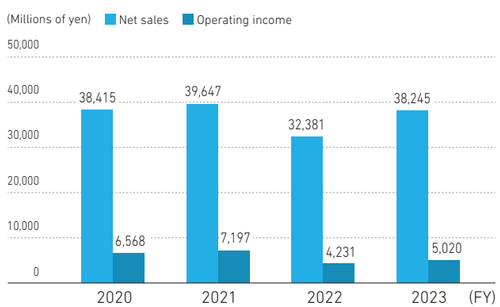


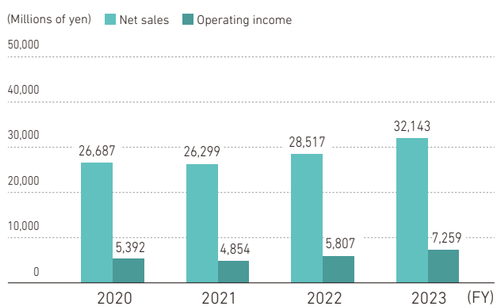
Parking lot management systems and others

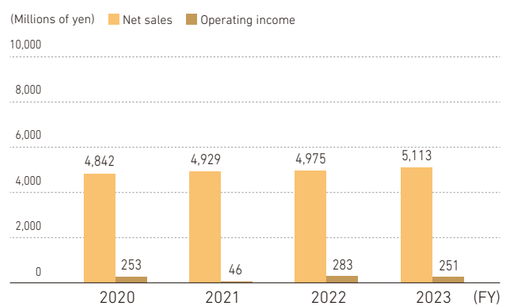
This segment is involved in installation and maintenance services for parking lot management systems. Drawing from an extensive selection of systems fine-tuned to the type and scale of the parking lot from among diverse operating scenarios, the segment builds management systems designed to make vehicular movement through parking lots safer, improve traffic flow and boost operating efficiency.

Net sales and operating income by segment



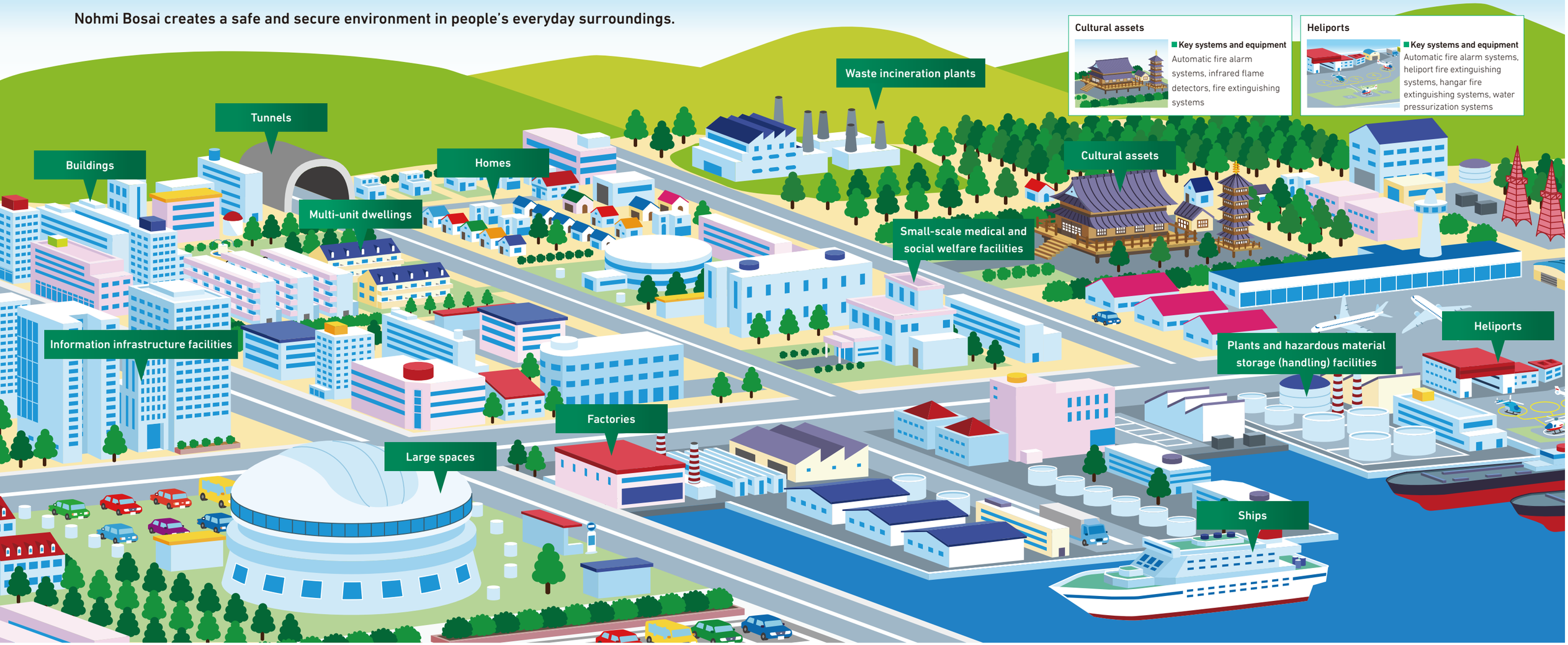






Nohmi Bosai—Here, There, Everywhere

Nohmi Bosai creates a safe and secure environment in people's everyday surroundings.



Cultural assets

■ **Key systems and equipment**
Automatic fire alarm systems, infrared flame detectors, fire extinguishing systems

Heliports

■ **Key systems and equipment**
Automatic fire alarm systems, heliport fire extinguishing systems, hangar fire extinguishing systems, water pressurization systems

Tunnels



■ **Key systems and equipment**
Reporting systems, fire extinguishing systems, water spray systems

Homes



■ **Key systems and equipment**
Residential-use fire alarm equipment, fire extinguishers, emergency kits

Multi-unit dwellings



■ **Key systems and equipment**
Systems for multi-unit dwellings

Buildings



■ **Key systems and equipment**
Automatic fire alarm systems, fire extinguishing systems, fire and smoke control systems, emergency broadcasting systems, air sampling smoke detection systems

Information infrastructure facilities



■ **Key systems and equipment**
Air sampling smoke detection systems, nitrogen gas fire suppression systems, fire extinguishers

Large spaces



■ **Key systems and equipment**
Automatic fire alarm systems, water cannon systems

Waste incineration plants



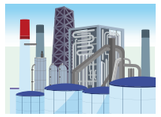
■ **Key systems and equipment**
Infrared radiation temperature sensors, fire protection systems for waste incineration plants, equipment with package-type fire extinguishing agents

Small-scale medical and social welfare facilities



■ **Key systems and equipment**
Sprinklers connected to municipal water supply, fire extinguishers, automatic fire alarm systems, fire notification devices

Plants and hazardous material storage (handling) facilities



■ **Key systems and equipment**
Automatic fire alarm systems, air sampling smoke detection systems, package-type foam fire extinguishing systems

Factories



■ **Key systems and equipment**
Automatic fire alarm systems, air sampling smoke detection systems, package-type foam fire extinguishing systems

Ships



■ **Key systems and equipment**
Ship-use fire detection and alarm systems, dedicated smoke detection and fire extinguishing systems for ships, carbon dioxide fire extinguishing systems

Special content on website (Japanese only)

Nohmi Bosai's Value Creation Process

Underpinned by technologies accumulated over a long corporate history and a market-acknowledged reputation for reliability, Nohmi Bosai will work toward realization of a society in which anyone can live happily by contributing to the creation of a safer and more secure society as a pioneer in the disaster prevention business.

Input

(As of March 31, 2024)

Human capital

Employees with a sense of duty

Number of employees groupwide:
2,766

Financial capital

Solid financial position

Net worth (consolidated):
¥123,638 million

Social capital

Trust built over more than a century

Domestic agents, distributors:
172 companies

Overseas agents, distributors:
16 companies

Manufactured capital

Extensive know-how related to disaster prevention

Domestic factories: 2
Overseas factories: 2
(including factories of Group companies)

Intellectual capital

High technical expertise

R&D expenses (consolidated):
¥2,483 million

Business model

Integrated structure, from R&D through maintenance

R&D | System design/ engineering | Manufacturing | Sales | Installation | Maintenance

Integrated structure

Mission as a pioneer in disaster prevention business

Technology and trust underpinned by long history

Cover disaster prevention needs across wide range of structures, including homes, buildings, industrial plants and factories, road tunnels and cultural assets



Growth strategy

Medium- to Long-Term Vision 2028 —Shaping the Customers' Expectations—

Shaping the Customers' Expectations
X transformation

Details on page 16

Enrich knowledge of personnel and organizations	Co-create with customers	Growth investment
Personnel Strategy for Dynamic Growth	Future Co-creation Project	Investment Plan for the Future

Digital transformation (DX)

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

Respond to issues by increasing corporate value through sustainability management

Material issues

1. Offer solutions for protecting life and property from all kinds of disasters
2. Promote human resources development and ensure diversity as ways to respect personal autonomy and initiative
3. Embrace global environmental protection initiatives, starting by realizing carbon-neutral status
4. Adopt management practices appropriate to a company seeking to ensure safety and security

Details on page 27

Company creed and management principle Details on page 1

Basic sustainability policy Details on page 26

Outcome

Realize a society where anyone can live happily

Nohmi Bosai Group's ideal state

Offer original disaster prevention systems

Offer optimal disaster prevention solutions

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

Establish a system of installation 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



Takeshi Okamura
President and Representative Director

The Nohmi Bosai Group's vision is to "shape the expectations" of customers and of society as a whole and to contribute to a society where anyone can live happily.

Looking back on fiscal 2023 results

Orders and backlog reached record-high levels for second straight year, while we rushed to comply with legal caps on overtime work

A booming construction industry characterized the business environment in fiscal 2023, supported by robust domestic capital investment in urban redevelopment projects and construction of data centers, distribution facilities and semiconductor factories. We also saw an increase in demand after the end of the COVID-19 pandemic, with an extremely favorable shift in orders not only for installation of fire alarm and fire extinguishing systems and equipment in newly constructed buildings but also for renewal work. As a result, Nohmi Bosai posted higher sales and higher income on a consolidated basis, marking all-time highs in orders and backlog at the end of the fiscal year.

Also, until 2022, delays had arisen in parts procurement due to supply chain upheaval as a consequence of global climate change, semiconductor shortages and other factors that disrupted normal access to parts. We set up a procurement task force to respond to evolving issues, and fortunately, concerns about the supply chain and parts procurement have largely been resolved. We are now in a better position, structurally speaking, thanks to stronger supply chain management.

That said, other risks still exist. Rising costs continue to impact operations. The cost of raw materials, in particular, but also the cost of utilities, logistics and labor have all gone up, and absorbing such increases has been difficult. In the previous fiscal year, we raised prices on products and services, and in April 2024, we had to do so again. Costs could rise still further, and we will continue to revise prices as necessary. A major challenge for us will be to use higher prices to pass cost increases on to customers without alienating them.

Another issue is that from April 2024 the construction industry has been subject to upper limits on overtime work. Over the past few years, we have been exploring ideas for reducing overtime by on-site staff doing installations and maintenance inspections and have made preparations to put feasible ideas into practice. For example, since the cap on overtime work, at 45 hours per month, cannot be exceeded more than six times per year, we aim to limit on-site operations on Saturdays and Sundays, since weekend work drives up overtime. This will require efforts to ensure on-site construction schedules are appropriate for the work to be done and also necessitate closing work sites, basically on Saturdays and Sundays, eight times every four weeks. As a result, we will actively seek to boost recruitment of new graduates and mid-career individuals and strengthen our human resources structure. In addition, we will meticulously track employee overtime every day and strive to standardize and streamline operations, emphasizing allocation of administrative tasks among site supervisors and more extensive use of IT tools.



Vision statement in Medium- to Long-Term Vision 2028:
"Shaping the Customers' Expectations"

Seek to become a comprehensive disaster prevention enterprise to mark 100 years in the disaster prevention business

The year 2023 marked a century since the Great Kanto Earthquake. In that disaster, fires erupted across affected cities. Nohmi Bosai founder Teruichi Nohmi saw a tragic scene unfold before his eyes, and the devastating aftermath prompted him to pursue the disaster prevention business, with a focus on protecting life and property from fire. The predecessor of today's Nohmi Bosai was Nohmi Shokai, which operated as a trading company in Osaka. In 1924, the year after the Great Kanto Earthquake, the company relocated its head office to Tokyo and launched business activities related to disaster prevention and began research in the area of fire science. We are proud to have been at the forefront of disaster prevention in Japan for a century. And to this day, we have carefully upheld the company creed of "As a pioneer in the disaster prevention business, we are committed to the mission and contribute to the safety of society."

However, recent years have seen disasters become increasingly more severe and more frequent, exemplified by the occurrence of large earthquakes, torrential rain and catastrophic floods caused by global warming. The "bosai" in our name means "disaster prevention." In light of heightened disaster risks, we must go beyond our forte field of fire prevention to address overall disaster prevention. We will continue to evolve over the next 100 years, deepening accumulated knowledge and technologies, cultivating and searching for business and developing new businesses geared to new types of disasters. The vision statement in Medium- to Long-Term Vision 2028, a 10-year plan initiated in fiscal 2019, is "Shaping the Customers' Expectations." We will listen closely to our customers' concerns and their expectations for us, such as access to a product or system that would particularly benefit their operations or how to turn a concept into reality. We will strive to provide levels of safety that surpass customers' expectations and ultimately contribute to a society where people can live feeling safe and secure.

We launched the Future Co-creation Project to bring this process to fruition. Fiscal 2024 is the third year that we have invited Nohmi Bosai employees to submit ideas for new businesses and products. Some of these ideas have been used in new business projects, and after several workshops and other events, some projects have already transitioned into businesses. We also set up an Expectations Box to enable employees to submit their ideas more easily. Over the past year, we received about 1,000 suggestions.

In addition, we will promote a personnel strategy that drives dynamic growth and maintain a robust approach to investment in R&D as well as specific capital investment directed into the manufacturing division, notably, upgrades to the Mitaka Factory.

The launch of new products exemplifies the success of our investment activities. Of note, we significantly upgraded our line of automatic fire alarm systems for small and medium-sized buildings with the April 2024 debut of the Advanced P IV System and Conventional (P-type) Class 1 Fire Alarm & Smoke Control Panel, featuring a new design, easy-to-read graphic LCD panel and guidance function for enhanced visibility and operability. In February 2024, we developed an environment-friendly fire extinguishing foam that does not use PFAS (a general term for organic fluorine compounds). The first application was high-expansion-foaming fire extinguishing systems installed in high-risk locations such as hazardous material warehouses. Our newly developed fire extinguishing foam has high-expansion-foaming and fire extinguishing properties even without PFAS, which is non-biodegradable and could adversely affect the human body. At Nohmi Bosai, we seek to improve sustainability management and will continue to develop environment-friendly products. From an environmental perspective, we are actively promoting nitrogen gas fire extinguishing systems that, with zero potential for causing ozone depletion and global warming, are people friendly, planet friendly and suitable in places such as data centers, where water or foam cannot be used to put out a fire.

While we have focused mainly on providing devices and equipment, we are also keen to reinforce our ability to supply services to help deal with the threat of disaster. One such service is a virtual reality (VR) fire experience. With content created jointly by Nohmi Bosai and a video-game developer, the service based on this program allows users to experience a fire situation in a virtual space that can be integrated into disaster prevention drills, training and more. Evacuation drills and disaster prevention training are conducted at workplaces, schools and other venues where people gather in large numbers. Unfortunately, partipants in such exercises tend not to take them very seriously anymore. So far, more than 5,000 people have undergone our rentable VR fire experience. It has been well received by local governments, schools and other customers who say the immersive VR experience fosters the incentive to be more aware and prepared for any eventuality and improves the effectiveness of training. Initially, the program was limited to a fire scenario that took users through evacuation from an office building, but the disaster setting has been expanded to include earthquake and tsunami versions as well as evacuation from an office district in a disaster. In addition, in fiscal 2024, the service was one of five proposals selected in the Yamanashi Volcano Disaster Prevention Innovation Pitch Contest, hosted by Yamanashi Prefecture to strengthen volcano-related disaster prevention capabilities near Mount Fuji. We will now work on creating a disaster simulation version based on a volcanic event. Only Nohmi Bosai, with its knowledge of fires specifically and disasters generally, has the depth of know-how to deliver this VR fire experience. We will continue to address social issues by offering the service to customers.

The Future Co-creation Project has generated a steady stream of additional services as well. One is named Stockle+, which provides one-stop support for donations of emergency supplies nearing expiration to food banks and other organizations when existing inventory is



replaced. Made commercially available in May 2024, the service eliminates the hassle of managing emergency supplies for companies, schools and other organizations, improves both business efficiency and social contribution, and also reduces food waste. In addition, we are currently developing NHOPS, an app that, in the event of a disaster, provides local governments with know-how on setting up and operating evacuation centers. The app makes it easy for anyone to establish and manage such a center just by performing the required actions, one per page, displayed on a smartphone or other device. In cooperation with local governments, we conducted a demonstration test of the app in June 2024 and will strive to enhance content and expand the scope of application.

This is an excellent example of how we draw on the comprehensive capabilities of the Nohmi Bosai Group to provide new value that successfully addresses the needs of our customers and society overall. We are gradually seeing more opportunities to deliver the results of the Future Co-creation Project. Given that disasters are becoming more severe and more frequent, we remain committed in our mission as a pioneer in disaster prevention to install and maintain fire alarm and fire extinguishing systems, in accordance with the Fire Service Act, while providing solutions beyond the scope of that act. Our value to society is unique, reflecting technologies and know-how cultivated over years in the business of preventing disasters involving fire. We will strive to further deepen our contribution to a safer society.

The 2024 Noto Peninsula Earthquake

As a pioneer in disaster prevention, we contribute solutions to disaster prevention and disaster recovery issues in Japan

In the evening of New Year's Day 2024, an earthquake with a maximum seismic intensity of 7 struck the Noto Peninsula, Ishikawa Prefecture, on the Sea of Japan. Nohmi Bosai made every effort to respond quickly through Team Nohmi, with assistance from the head office, to restore disaster prevention systems to deal with local issues. In March, I visited the hard-hit area and heard heart-wrenching stories. From the Noto airport, I was told, the sky over Wajima City could be seen turning bright red as fires burned through neighborhoods of densely clustered, old wooden houses. Firefighters fought hard to limit the spread of fires as best as they could, but the going was extremely difficult because water tanks had been damaged and rendered unusable by the earthquake, the threat of a tsunami prevented equipment setup at the shore to draw seawater and reinforcements from other fire departments were unable to reach the area due to road closures. Meanwhile, the power went out at the Noto airport, cutting off electricity and the pump-driven water supply. Because it was the New Year holiday, the airport was crowded with tourists and people returning to their hometowns to be with their families as well as people displaced by the earthquake. The most frustrating thing was not access to emergency supplies, which were available, but rather airport toilets that could not be used because the emergency power generator to activate the flushing function did not work. There were many other issues to contend with. It was bitterly cold, and many people went inside tour buses to stay warm. The Self-Defense Forces cooked curry for the stranded masses, but there were not enough spoons for everyone. The situation really was quite challenging for all concerned.

Hearing such stories reminded me that the most important part of disaster preparedness is recognizing a situation that has just occurred as a disaster and learning from it to mitigate problems the next time a disaster hits. For example, news programs in the wake of a big earthquake in Taiwan showed evacuation centers that jumped into action with tent-like partitions affording privacy to those fleeing the destruction. Japan's evacuation centers are not as well prepared, and many issues may account for this. Private companies—Nohmi Bosai included—are limited in what we can do in emergencies, but I believe we, at Nohmi Bosai, can utilize our understanding of disasters and disaster prevention to shape responses.

One development has been the construction of a solar carport at the Menuma Factory in Kumagaya, Saitama Prefecture. This carport is part of our carbon-neutral initiative and a step forward in disaster preparedness. Normally, the factory draws on solar power for some of its energy needs, but we wanted the factory to be able to use electricity in case a disaster disrupts regular electricity and be in a position to provide a lifeline to neighbors in an emergency.

The Nohmi Bosai Group's core business is by its nature vital to a safe and secure society. In disaster-prone Japan, we will continue to play an essential role in keeping the nation's citizens safe and secure with outstanding disaster prevention systems and services. For Nohmi Bosai to continue its business, growth as a company is an essential prerequisite. In May 2024, we announced a policy to implement management conscious of capital costs and share price, and we made clear our intention to manage operations with the aim of achieving sustainable growth and higher corporate value in the medium to long term. An initial priority will be to reach all management targets, including those stated in our medium-term business plan, while doing our utmost to meet the expectations of all stakeholders and present ourselves as an appealing company.

For operations and other business activities to remain sustainable, promoting sustainability management is extremely important. Toward this end, each and every employee must genuinely address social issues. That said, I believe the concept of contributing to society is already part of our corporate culture, something employees throughout the Nohmi Bosai Group are deeply aware of.

Looking toward our next 100 years, we are marking a new start but remain committed to being a company that exceeds the expectations of society with groundbreaking products and services.

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.

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 the 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.

FY2019–FY2021	FY2022–FY2024	FY2025–FY2028
Stage I	Stage II	Stage III
Previous medium-term business plan	New medium-term business plan	

Formulated medium- to long-term vision statement at start of plan, clarifying direction toward desired long-term destination

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

Co-create with customers

Future Co-creation Project

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

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

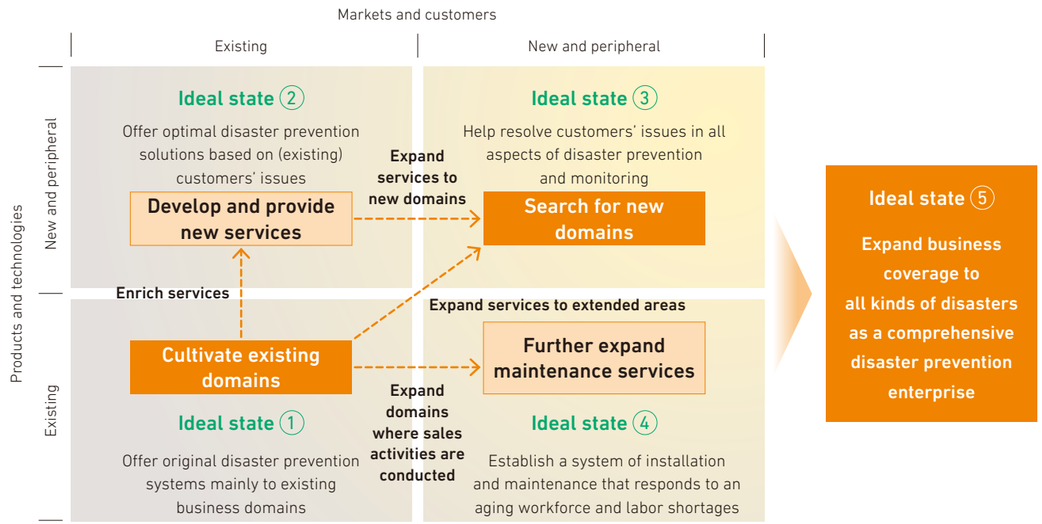
Digital transformation (DX)

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

Respond to issues by increasing corporate value through sustainability management

Change into a company creating higher additional value

Business strategy: Basic orientation



Progress of our commitment to the Future Co-creation Project and our personnel strategy

Begin implementing the Expectations Box

Provide all employees with opportunities to think about and make recommendations regarding their expectations, in addition to continuing the activities for creating new businesses as projects

Period	Part 1: June–August 2023 Part 2: October–December 2023 (extended to January 2024)
Participants	All employees of Nohmi Bosai → Ultimately extended to all officers and employees of the Nohmi Bosai Group
Content	New services and products segment Business improvement segment

Collected nearly 1,000 ideas

Accelerate our personnel strategy

Encourage the development of human resources that proactively propose new ideas
→ Commitment to the Future Co-creation Project

Committee for Promoting Active Participation of Women in the Workplace established for the promotion of diversity, equity and inclusion (DE&I)

Human Resources Planning/DE&I Promotion Group was established within Human Resources Department in FY2024

Steadily bearing fruit

- Cultivate existing domains and search for new ones
- Develop personnel who make proposals

Status of efforts toward Investment Plan for the Future

Investment Plan for the Future

	Stage II (FY2022–FY2024)
Research and development	Ratio to net sales 3% (As of FY2028)
Investment in growth, M&A and the building of the foundation Investment in personnel Enhancement of the supply chain Investment in the environment	Investment value ¥30 billion

Major initiatives

Relocated and built a new Mitaka Factory, one of our main factories
- The area of the site is approximately three times larger than the site of the previous factory. The gross floor area is approximately five times larger.
  → Reduce costs by improving productivity

Nissho Setsubi Kogyo Co., Ltd. (currently Oita Nohmi Co., Ltd.), Sakamoto Densetsu Co., Ltd., SYSTEMS Co., Ltd., joined the Nohmi Group
- Actively implementing M&A

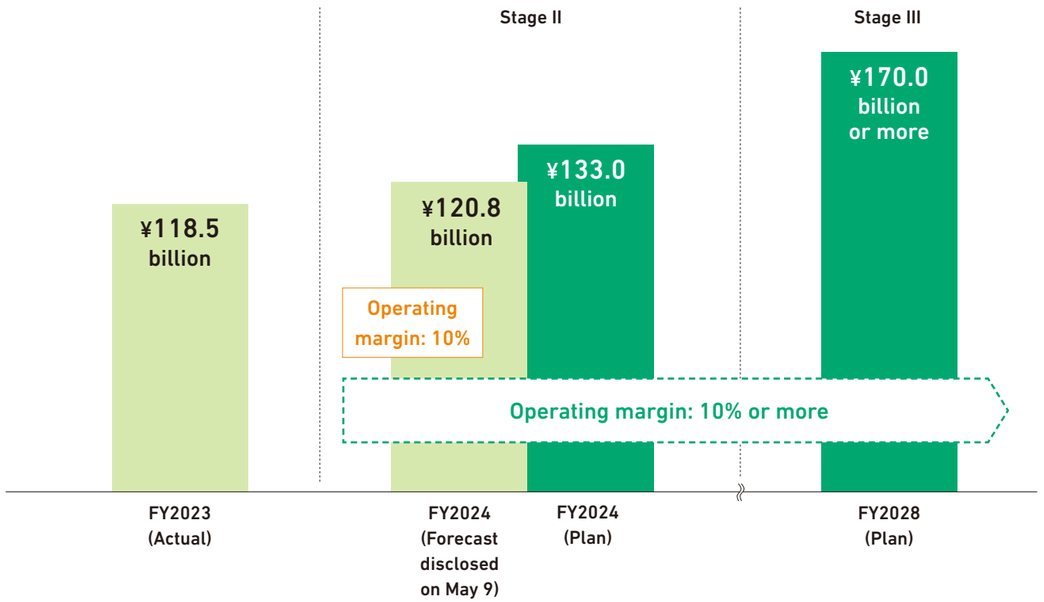
Investment in digital transformation
- Responding to labor reduction
- Considering a cloud-based service
- Development of a new integrated information system is underway to build a foundation for digital transformation.

Employee expansion
- FY2021: 2,635 → FY2023: 2,766 (consolidated)

Strengthen employee training

Going forward, we will unfailingly invest in pursuit of greater profitability.

Medium- to long-term business targets: Consolidated net sales





Yasuhiro Ono
Executive Officer

To achieve medium- to long-term improvement in corporate value, we will realize management conscious of capital costs and share price.

Key financial activities in fiscal 2023

We will continue to strengthen and review growth investments based on Investment Plan for the Future.

In fiscal 2022, the Group embarked on Investment Plan for the Future, a key part of Nohmi Bosai's Medium- to Long-Term Vision 2028. As this is investment for the future to support sustainable growth and improve corporate value over the medium to long term, we have been regularly reviewing the plan and implementing active investment Companywide. As of fiscal 2023, capital had been successfully applied to relocate the Mitaka Factory to a newly constructed facility, execute two M&A deals with companies in Oita Prefecture and Hokkaido, respectively, enhance training and learning opportunities to hone the skills of our human resources and promote DX, including development of an internal core system. The business environment remains uncertain, and against this backdrop, certain aspects of our investment plan have not unfolded as originally envisioned due to various fluctuations. But we are evaluating and exploring a few investment projects to reach the profitability target stated in Investment Plan for the Future.

In fiscal 2023, we examined ways to realize management conscious of capital costs and share price, as requested by the Tokyo Stock Exchange. We concluded that our PBR exceeded 1.0, at 1.12, and that ROE was in the 7% range, above cost of capital, as of March 31, 2024. That said, our ROE was above the 10% mark at times in the past, which we do not consider a sufficient level for recent years. We acknowledge the need to manage operations with an awareness of capital costs and share price to increase corporate value over the medium to long term.

To start, we will work toward ROE of at least 9% by fiscal 2028. Toward this end, we will improve profitability by steadily implementing measures described in Medium- to Long-Term Vision 2028 along with taking steps to improve return to shareholders. The business environment has been hard to read in the wake of the COVID-19 pandemic, but we have been able to secure a certain level of consolidated profitability and generate stable cash flow, and management is therefore keen to enhance return to shareholders accordingly. Until now, our target was to achieve a consolidated payout ratio of 40% by fiscal 2024, but we have raised the bar, aiming for a consolidated payout ratio of 50% from fiscal 2025 onward. In addition, management felt that the Company should repurchase a certain amount of treasury stock to improve capital efficiency, and in May 2024, Nohmi Bosai acquired 1.5 million shares of treasury stock, equivalent to about 2.5% of total shares outstanding, excluding treasury stock. Going forward, we will continue to consider flexible responses matched to changing circumstances.

We also intend to reinforce investor relations to create an environment in which shareholders and investors can properly assess our corporate value. Toward this end, we began publishing an integrated report in fiscal 2022 and deepened the extent of disclosure beyond financial information to include non-financial information. In addition, while we have utilized feedback from the capital market to sharpen management practices, we will be more attentive to comments from shareholders and investors and strive to boost corporate value, as this is integral to realizing management conscious of capital costs and share price. We will also pursue more opportunities for dialogue with investors.

Initiatives for sustainable growth

Emphasis on financial health to fulfill social mission of disaster prevention

As mentioned above, a priority is to realize management with an awareness of capital efficiency. At the same time, we have an important mission to fulfill—contributing to the safety of society—and therefore we must ensure stable, continuous operations in disaster prevention to protect people's lives and property. This mission requires a certain level of stability in our financial situation. In addition, a sufficient level of shareholders' equity is essential if we are to quickly and decisively seize investment opportunities that ensure sustainable growth into the future. We have not set indicators specific to the balance sheet, but we will evaluate and review the balance sheet with the above considerations in mind case by case.

I must add that Medium- to Long-Term Vision 2028 includes a personnel strategy for dynamic growth. We are expanding investment in our human capital. Starting in April 2024, certain industries, including construction and disaster prevention, must adhere to legal limits on overtime work. To maintain productivity while reducing overtime, we promoted operational reforms in parallel with efforts to build up our workforce, leading to an increase of about 5% in the number of employees at the end of March 2024, compared with that at the end of March 2022. Concurrently, we are expanding training and learning programs for our human capital and supporting diversity initiatives. These strategies are gradually delivering results, exemplified by the favorable business performance we posted recently.

The vision statement in Medium- to Long-Term Vision 2028—to "shape safety to meet customers' expectations"—means that we will grow as a company that exceeds the expectations of all our stakeholders. We will draw on Groupwide capabilities to strengthen investments, including allocation of capital for infrastructure improvements, to develop existing businesses while providing value through new businesses that create safer spaces for everyone. I ask stakeholders to take a medium- to long-term view of our strategies and results and continue to support us.

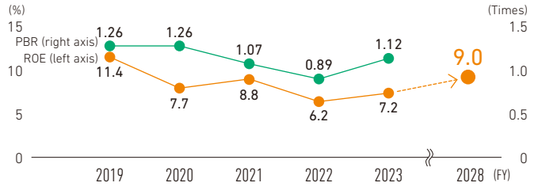
Action to implement management that is conscious of cost of capital and stock price

Orient the management of the business more toward the cost of capital and the stock price to continue enhancing our medium- to long-term corporate value

Increase ROE to 9.0% or more by FY2028

- Improving profitability
- Strengthening shareholder returns
- Enhancing IR activities

→ **Improvement of capital efficiency**



Fulfill the Medium- to Long-Term Vision 2028

Specific initiatives

1. Improving profitability

Priority measures **Investments for growth**

- Build a foundation → Achieve cost reduction
- Human capital investment → Increase competitiveness
- Utilize M&A → Expand business domains

2. Strengthening shareholder returns

- **Set a new payout ratio target**
- **Acquire treasury stock**

3. Enhancing IR activities

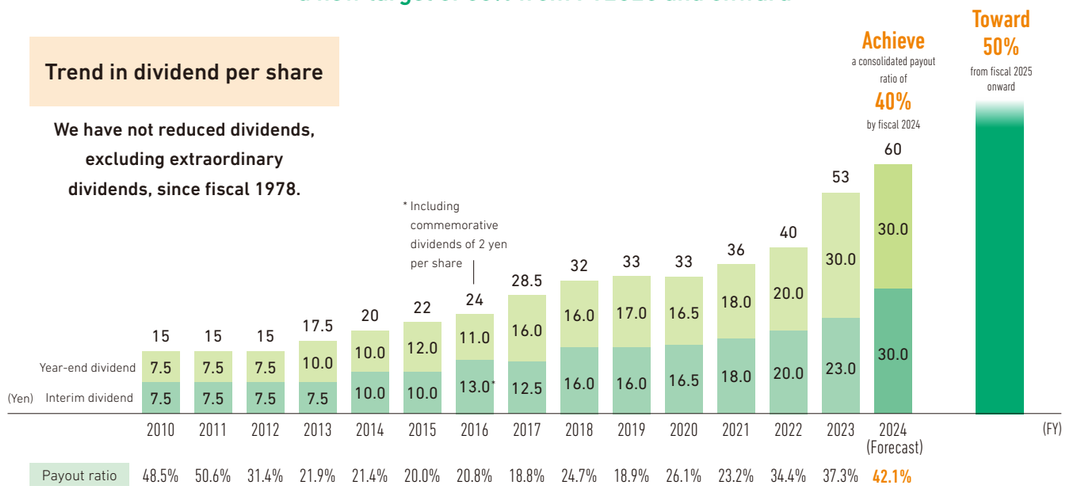
- **Continuous dialogue with shareholders and investors**
- **Start publishing Integrated reports (from 2023 onward), etc.**

Dividend policy

Aim to achieve a consolidated payout ratio of 40% by FY2024, and plan to set a new target of 50% from FY2025 and onward

Trend in dividend per share

We have not reduced dividends, excluding extraordinary dividends, since fiscal 1978.



Employee Roundtable Discussion

Our work is hugely rewarding by providing safety through disaster prevention systems that operate in the event of emergency. Nohmi Bosai offers diverse approaches to work and strives to be a company where all employees can shine.



Shota Koizumi
Customer Service Department, Customer Satisfaction & Safety Service Division

Marie Kamiyama
System Engineering Department 1, Fire Alarm System Division

Yuki Hidai
System Engineering Department 2, Fire Extinguishing System Division

Nohmi Bosai provides disaster prevention systems under an integrated structure encompassing everything from R&D and design to manufacturing, sales, installation and maintenance. In this roundtable discussion, three young employees involved in installation and maintenance operations talked about the rewarding aspects of their work, workstyle reforms and the future of Nohmi Bosai.

Each department plays a distinct role in reducing the chances of a destructive fire and contributes to a safer society.

Koizumi The Customer Satisfaction & Safety Service Division, to which I belong, is primarily engaged in the maintenance of fire protection systems installed in buildings. My job is mainly to make presentations to customers and offer suggestions on maintenance, inspection, repair and renewal work to ensure that the fire protection systems at their properties function properly. By law, fire protection equipment in buildings must be inspected every six months. We respond to customer needs by providing a wide range of services, from overseeing the inspection process to recommendations for repairs based on inspection results.

An interesting aspect of my job is that I can develop long-term relationships with customers and deepen these relationships through continuous interaction.

Hidai Since I oversee the installation of fire extinguishing systems in buildings, I do not have the opportunity to engage long term with the same customers. That said, installation projects at large building sites often go on for a couple of years or more, so it is important to forge relationships of trust with customers including the property owners or operators. The process of system installation in newly built structures comprises multiple steps, and the completion of each step ultimately leads to an effective fire protection system. Only after the system and its component equipment passes inspection is a structure deemed complete and ready for use. I feel a great sense of accomplishment at that moment.

Kamiyama This is my seventh year at Nohmi Bosai. Until last year, I was in charge of installing automatic fire alarm systems. As an on-site manager, I was responsible for issuing instructions to workers. Currently, I have an in-house role, keeping track of drawings and data and then providing appropriate information to the on-site teams, supporting the activities of on-site installation managers so that they can work efficiently. I have a full six years of experience in the field, which I utilize to communicate tricky aspects of work where mistakes tend to occur as well as aspects of installation that are difficult to understand. When I receive words of gratitude from an on-site team, I know that I helped them overcome problematic issues and feel my efforts were worthwhile.

Koizumi Since the scariest thing in our line of work is for a fire alarm or fire extinguishing system to malfunction in an emergency, system testing at installations and periodical inspections are very important. I joined Nohmi Bosai because I was attracted by the Company's management principle, "Under a comprehensive system, from research and development to maintenance, we will continue to provide the latest and optimal disaster prevention systems to protect life and property from disaster, throughout Japan and the rest of the world." To me, this commitment is essential.

Operating departments have tended to rely on individuals within their own department to execute operations, but this approach is being reviewed, while workstyle reforms are being implemented through division of labor and digitalization.

Koizumi In my department, each person handles multiple properties simultaneously and addresses any maintenance issues that arise. This means it is normal to interact with customers daily, whether for an inquiry, a request for a quote or an operational issue that needs attention. Moreover, with renewal work, since the target fire protection systems are in buildings already in operation, we typically work on holidays and at night to avoid interrupting operations on the customer's side. However, only the person responsible for a particular property knows the idiosyncrasies of the site, a situation that makes it almost impossible to delegate responses and the execution of renewal work to others. This used to be a big problem for employees because it meant we could not take time off easily and we would unavoidably rack up overtime as well. However, by sharing work within the work group, we have maintenance operations that are no longer dependent on certain individuals. We have reformed the structure to ensure that employees can take time off without inconveniencing customers. The situation has improved considerably, thanks to visualization, standardization of the work to be performed and the benefits of dividing the workload among several people.

Kamiyama My transfer was also driven by an effort to improve work processes. Previously, there was no department to support on-site installation managers, and whoever was responsible for the installation work had to deal with all aspects of the project single-handedly, with others rushing in to help only when a major problem appeared. At that time, the installation managers did everything, reviewing structural drawings and data, monitoring project status and supervising equipment tests and adjustments, in addition to dealing with paperwork after returning to the office from the construction site. As a result, just like in Mr. Koizumi's department, each person in my department ended up working long hours and found it difficult to take time off. The solution came by dividing the workload and creating a system that allowed administrative tasks to be done by in-house staff including me.

We also introduced tablets into our workflow and asked workers to carry the devices with them so that drawings and data could be updated from outside the office as well. In addition, we improved the work environment so that administrative tasks delegated specifically to the person in charge of installation could be performed in shared offices at various locations. I think workstyles have really evolved since I joined Nohmi Bosai, driven by major changes of the division of labor and the application of digital technology.

Hidai Web conferencing became widespread during the COVID-19 pandemic and has significantly influenced how we do our jobs these past few years. On projects with long construction periods, installation managers might be required to work on-site for about two years. When meetings were held at the head office during the construction, we would have to stop work on-site and go to the head office to participate in meetings. Since the pandemic, meetings and on-site morning briefings can be conducted online. This significantly reduces the time I have to spend on trips to the head office.

Kamiyama Installation managers in the Engineering & Construction Division, which focuses on tunnel and plant installation projects, are also stationed on-site for long periods of time.

Hidai When you are stationed at a site, dividing the work is usually difficult. The situation is gradually improving, and subsequently overtime is decreasing. Also, more male



Eleventh year at Nohmi Bosai.
Serves as customer contact point for tasks such as maintenance, inspections and renewal work on large buildings in central Tokyo.

——Shota Koizumi

employees are able to take advantage of childcare leave.

Koizumi Last year, when I took two weeks off, my supervisor and colleagues shared responsibility for the properties I was assigned to. Until a few years ago, I would not have dreamed of taking so much time off. Also in the past, employees worked independently, like an owner of a privately owned store, but now, with the number of young employees rising significantly, I feel that the atmosphere in the department has changed. Young employees have become familiar with individual responsibilities, work as part of a team with more experienced colleagues and assist one another.

The labor shortage is an industry-wide concern. We need to encourage greater involvement of women in the workplace while creating an environment that embraces diversity.

Kamiyama In my department, I and another woman who joined Nohmi Bosai at the same time were the first women to be in charge of installation management. The department had quite a few women, mostly handling administrative duties, but until then, no women had been given the responsibility for installation management. Three years later, more women followed in my footsteps. Now the male-to-female ratio is about 8:2.

Koizumi Ten years ago, when I joined Nohmi Bosai, only men were doing this work. But now, I would say the ratio in my department is also around 8:2. Women bring a different perspective to the job and to operations. This makes Nohmi Bosai a better organization.

Kamiyama In those days, with few other women around, I would keep quiet even when something seemed a bit strange, thinking that I might be worrying about the issue too much. But as the number of women increased, I felt more inclined to voice my opinion when I felt something was not as I thought it should be. In the past, work wear and safety boots did not come in women's sizes, and I had to make do with what was available for men. But now, women's sizes are available too. The number of female construction managers in the construction industry is rapidly rising, and sites are now set up with women's toilets. Small sites might not be so progressive but, overall, more effort is being made to encourage women to play a more active role in the workplace.

Hidai Recently, the number of construction projects has increased amid a persistent labor shortage. The response has been to recruit people with experience. It seems to me that the construction industry has definitely added to its personnel roster.

Kamiyama I agree. The situation in the construction industry is the same as that for disaster prevention. But some people end up quitting because they realize the job is not right for them. That said, the labor shortage is a serious issue. I truly believe that we need to make our workplace a better place where all employees want to stay working.

Koizumi Today people change jobs more frequently than in the past, and people have more career options as well. In this environment, we have to create an appealing workplace that makes new employees want to stay. I think this is a theme that runs through the department. Jobs here are rewarding for men and for women. If we can effectively distribute work over weekends and at night with the right number of workers, everyone will benefit.



Seventh year at Nohmi Bosai.
Landmark assignment as one of the first female installation managers in the Fire Alarm System Division and currently utilizing experience at construction sites to provide on-site technical support for large, newly built properties.

——Marie Kamiyama

Kamiyama The biggest issue is that problems are always cropping up at construction sites. When something critical emerges, I go to the site to help out. The scene can be pretty stressful. But you never learn unless you make a few missteps, right?

Hidai That is true. People tend to remember failures more than successes, so they often apply the knowledge of what went wrong to prevent that from happening again in a different setting. I am disappointed when I fail, but I also think the experience helps me grow, professionally and as an individual.

Kamiyama New employees are assigned to my department every year. I often see them get tripped up on the same things that were difficult for me, too. From the expression on their faces, though, you would think the world is ending. Some people manage to do okay on their own, and sometimes I follow up, but the process of recovering from the failures is a learning experience, not only for them but for me as well.

Hidai When you make a mistake, you realize you did not know as much as maybe you should have, and the experience makes you study harder. Failure is actually a stepping stone to success.

Nohmi Bosai is expanding its workforce and developing new talent. It wants to make itself a company that is more attractive from a human resources perspective.

Koizumi Presently, my department also has quite a few young people, and I listen closely to their observations and opinions about on-site operations. In the past, junior employees learned their duties simply by following the ways of senior staff, but this passive approach does not lower overtime or improve efficiency. Therefore, we have launched a working group to reimagine operational processes within the department. I would like to see more opportunities for dialogue among people of various age groups and the creation of a structure that reflects bottom-up opinions, not just top-down decisions. This will not be easy, since some people hate change, but I feel the time has come. More people now are inclined to accept change if it leads to improvement.

Kamiyama I agree. Perspectives vary between the sexes, between different generations, like with Generation Z, and even between individuals. Some people in the department where I now work have transferred in from departments that have nothing to do with construction sites, and it seems that they have various insights, about such things as inefficiencies in operations. If the workplace is one where people with a potentially good idea hesitate to say anything because speaking out is difficult, then nothing will ever change. I would like to create a workplace with an open atmosphere that encourages people to voice their opinions come what may and just feel free to say something.



Sixth year at Nohmi Bosai.
Responsible for managing installation of fire extinguishing systems in buildings and other large properties in the Tokyo metropolitan area and active as an on-site supervisor on fire protection systems.

——Yuki Hidai

Hidai I would like flextime and remote work to be available to employees in all departments. Nohmi Bosai has enriched its accreditation and training programs, our workforce is becoming increasingly diverse and I think implementing different workstyles is very important for the Company. My department, like Ms. Kamiyama's department, is working on the establishment of a back-office section that will take on certain aspects of our work. In addition, the number of people at each construction site has to increase even by one person, or else workstyles are unlikely to evolve.

Kamiyama I would like to see greater use of digital tools like AI, which we are thinking of using to confirm that installed systems fully comply with laws and regulations. A working group has been set up to explore the potential of AI for this purpose. Right now, we human beings carefully check drawings and the sites before a building inspection by the fire department personnel. For any area we spot as possibly problematic, we reexamine laws and regulations to confirm and make improvements as necessary. However, if AI could do this for us, the process would surely be much more efficient.

Koizumi Nohmi Bosai is the only company that can create such a system.

Hidai Yes, we will realize it.

Nohmi Bosai—Sustainability

Nohmi Bosai's long-standing company creed is to be "a pioneer in the disaster prevention business, and we are committed to the mission and contribute to the safety of society." A management principle was designed and adopted to live up to this creed.

Guided by this creed and its management principle, Nohmi Bosai has from its earliest days consistently contributed to the safety of society. Going forward, the Company is determined to maintain this stance. To clarify the role that Nohmi Bosai must fulfill in its efforts to contribute to realizing a sustainable society, management established a basic sustainability policy.

Company Creed

As a pioneer in the disaster prevention business, we are committed to the mission and contribute to the safety of society.

Management Principle

Under a comprehensive system, from research and development to maintenance, we will continue to provide the latest and optimal disaster prevention systems to protect life and property from disaster, throughout Japan and the rest of the world.

Basic Sustainability Policy

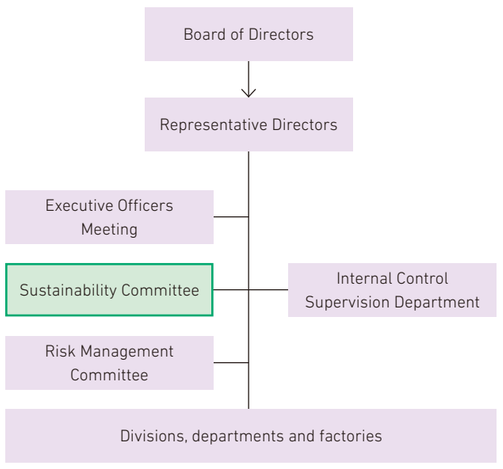
For many years, the Nohmi Bosai Group has pursued ways to make society safer. Having the technologies and trust backed up by our history, we are seeking a society free from accidents involving fires. Also, we are working to protect life and property from all kinds of disasters and to create a sustainable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

Sustainability promotion structure

To gain greater leverage from initiatives addressing issues about sustainability, Nohmi Bosai established a working group in September 2022 to promote sustainability management and embarked on such activities as formulating a basic policy, identifying material issues, designing action plans and improving the sustainability promotion structure.

March 2023 saw the establishment of the Sustainability Committee, which functions in an advisory capacity to the president and representative director and discusses policies and measures based on material issues. The president and representative director chairs the committee, and executive officers, including ones responsible for corporate divisions (Corporate Planning Department, CSR Promotion Department, General Affairs Department, Human Resources Department and Human Resources Development Department) are members. Regular meetings are held twice a year, but the committee convenes as necessary.

Sustainability Committee status



Nohmi Bosai—Materiality

Since its early days more than 100 years ago, Nohmi Bosai has been committed to contributing to a safer society through the business of protecting life and property from disaster. Today, the world is focused on corporate activities that address sustainability. Against this backdrop, management identified key social issues—materiality—that Nohmi Bosai should embrace to clearly demonstrate to stakeholders how the Company's strengths benefit society.

Materiality identification process

Nohmi Bosai established an in-house working group to promote sustainability management and used this group to pinpoint social issues that the Company should address from two perspectives—most relevant to the needs of society and most relevant to the Company's own business activities—in accordance with the international sustainability frameworks Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) Standards and ISO 26000 Subjects. Candidate issues taken from the medium- to long-term vision, PEST (political, economic, social and technological) analysis and other materials were added, creating a list of 50 items.

The working group then evaluated these 50 items from three angles—social significance, important sense of our values and Nohmi Bosai's strengths—discussed the items that had the highest scores and eventually pared the list down to four items. After discussion with the management team, these four items were confirmed and approved as material issues for Nohmi Bosai to tackle.

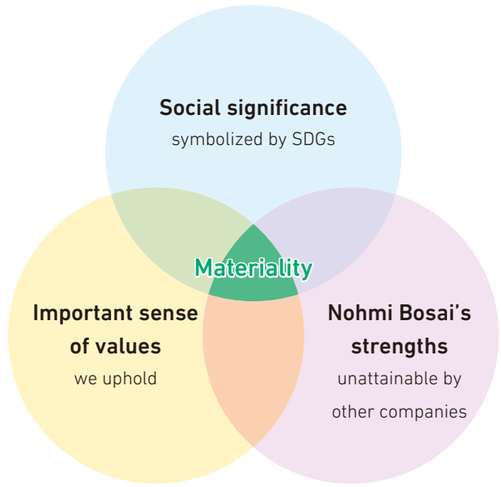
Throughout the Company, Nohmi Bosai is implementing initiatives specific to the four identified material issues.

Materiality identification process

Examine	● Identify social issues based on criteria in international frameworks (GRI Standards, SASB Standards, ISO 26000 Subjects) ● Identify candidate issues from in-house materials, including medium- to long-term vision and PEST analysis
Organize/ categorize	● Organize and categorize
Evaluate	● Evaluate candidate issues using three evaluation axes: social significance, important sense of our values and Nohmi Bosai's strengths
Discussion	● Focus on items with high scores and discuss from stakeholder and ESG (environmental, social, governance) perspectives to create short list
Discussion	● After repeated discussions on such topics as Nohmi Bosai's purpose as a company and the value the Company provides to society, narrow list down to four items
Discussion	● Following discussion with management team, confirm four material issues

Evaluation axes for narrowing down candidate issues

Issues of concern in Japan and around the world that Nohmi Bosai should also **strive to solve**



What you feel **passionate about** and what you **want to be** regardless of how good you are

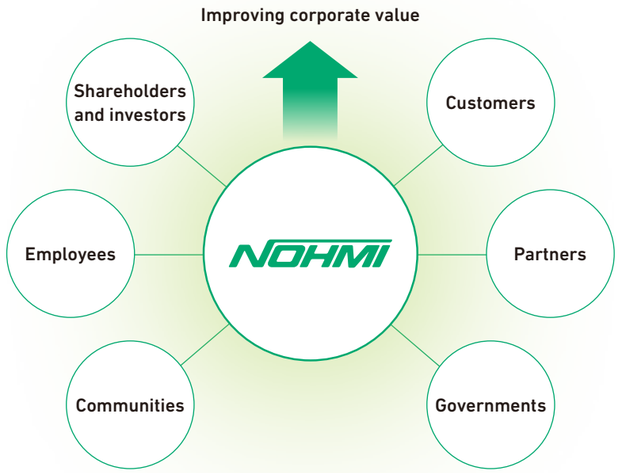
What we **do better** than other companies
What we **are working on** ahead of other companies

Four material issues

1	**Offer solutions for protecting life and property from all kinds of disasters** We will reinforce the structure for providing fire protection systems and services to help realize a society free from accidents involving fires, as we expand our business presence to all types of disaster categories and draw on digital technology to enhance product and service capabilities.	
2	**Promote human resources development and ensure diversity as ways to respect personal autonomy and initiative** We will cultivate a corporate culture that fosters personal growth, promote diversity and inclusion, and create workplaces where employees feel their work is rewarding.	
3	**Embrace global environmental protection initiatives, starting by realizing carbon-neutral status** We will work toward carbon-neutral status while contributing to a better environment through products, services and proactive responses to restrictions on chemical substances.	
4	**Adopt management practices appropriate to a company seeking to ensure safety and security** We will realize a robust supply chain, adopt corporate management practices conscious of human rights and strengthen our resilience to disasters through business continuity planning.	

Involvement with stakeholders

We will ensure that everyone connected to Nohmi Bosai—customers, shareholders and investors, partners, employees, all levels of government and communities—is aware of our material issues. We will tackle social issues in cooperation with these stakeholder groups, strive to build strong bonds of trust with stakeholders and improve corporate value.



Materiality 1

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

Today natural disasters are occurring with greater severity, leading to heightened awareness of the need to prepare for and prevent disasters. In addition, aging buildings and public infrastructure are sure to become increasingly more important social issues. Nohmi Bosai has accumulated diverse experience and know-how related to disaster prevention, particularly fire protection, since its early days in business. Of course, we strive to contribute to public safety, security and sustainability by effectively incorporating this experience and know-how into our products and systems, but we also pursue initiatives to create new solutions for customers and society at large.

Developing systems and services to realize a society free from accidents involving fires and to cultivate business domains

The firestorms that followed the Great Kanto Earthquake some 100 years ago were quite literally the flash point leading to the establishment of Nohmi Bosai. During this century-plus period, the social landscape has changed and new risks have emerged as a result, requiring constant evolution in products and methods of disaster prevention. Nohmi Bosai has always been committed to realizing a society free from accidents involving fires while anticipating needs matched to the times. The Company has been a trailblazer, launching many firsts in the domestic fire prevention market.

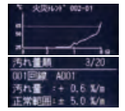
Eliminating damage caused by fires remains a vital social issue and a priority for Nohmi Bosai. Nohmi Bosai has maintained this stance since our earliest days and continues to utilize strengths built in addressing a wide range of disaster prevention needs as well as accumulated technology and know-how to develop products and services that shape safety to meet the expectations of our customers and of society.

New product lineup

Conventional (P-type) automatic fire alarm system

“Advanced P IV System” and “Conventional (P-type) Class 1 Fire Alarm & Smoke Control Panel”





Enhanced mainstay Conventional (P-type) fire alarm system with industry’s first application of graphic LCD screen. This includes a new guidance function that facilitates visibility and operability.

Emergency kits

Shinogeru II, Shinogeru One II



Updated Shinogeru, an A4-sized package of emergency supplies slim enough to slip into the drawer of an office desk. The expiration dates for water and food items have been extended to seven years from five years, making the rations suitable for a wider range of needs.

Wireless interconnecting residential-use fire alarm equipment

Smoke with CO detector



CO-reaction and wireless interconnecting residential-use fire alarm equipment that is a first in Japan. If CO is detected, the system switches to double smoke sensitivity to more quickly detect the presence of fire. Once fire is detected, all alarms installed in the residence link wirelessly and alert residents to the danger simultaneously.

Stand-alone residential-use fire alarm equipment

New-color lineup



Fire alarms come in black as well as the original natural white for customers who place importance on the design aspect of interior spaces. With a thin, compact design, this alarm equipment meets the needs of people today who want increasingly diverse options in housing construction.

Activities designed to raise disaster prevention awareness

Given the increasing severity and frequency of natural disasters over the last few years, Nohmi Bosai has been creating and distributing diverse content to a wide demographic segment, from children to adults, to enhance the effects of disaster prevention training and education. By combining these efforts with facility-related initiatives, the Company seeks to make disaster prevention measures more effective and underpin the success of responses to all kinds of disasters.

Helping raise disaster prevention awareness by developing original games and hosting real-life events

"Mezase Bosai Master!" (Be a Master in Disaster Prevention!), an original Nohmi Bosai game, is available through Gokko Land, a social experience app for kids. Since its release a year and a half ago, this game has been played 4.5 million times by 1.68 million users. We have delighted many children by making the game available at disaster prevention events all over Japan. Recently, we organized workshops for children and their parents at shopping malls where employees certified as disaster prevention specialists conducted a disaster mitigation quiz and taught how to make disaster mitigation bottles. Feedback from game users and event participants included comments applauding Nohmi Bosai for giving parents and children the opportunity to talk about disaster prevention and providing adults a moment to rethink their approach to emergency preparedness at home.



Workshop



Disaster mitigation bottle packed with disaster prevention items

VR content that expands scope of contribution, including donations to educational NPOs and production of sequel disaster simulation program

"Panic in the Office," a VR fire experience, allows users to undergo a realistic disaster and enhances motivation for emergency preparedness training and education. The VR program has been integrated into corporate disaster prevention training, was featured at disaster prevention events organized by local governments and even found its way into disaster prevention education programs at schools, for a user count of more than 5,000 people, since the program was released two and a half years ago. In addition, an associated service includes a framework for donating 1% of sales to social contribution organizations working to reinforce self-help and mutual-aid efforts. Most recently, Nohmi Bosai made a donation to an educational non-profit organization (NPO) with a mandate to support children in times of disaster. Going forward, we plan to release a sequel that will enable users to experience a realistic earthquake and tsunami disaster virtually and assess their own level of emergency preparedness.





Stockle+, new service that contributes to society by redistributing stocks of emergency supplies

Nohmi Bosai launched a new service, Stockle+, for companies intending to replace stocks of emergency supplies. The service connects companies wanting to donate emergency supplies nearing their expiration date with food banks eager to accept these products, rather than have them thrown away.

We utilized an event marking Disaster Prevention Day in September 2023 as a chance to deepen awareness of disaster preparedness and food-drive activities by enabling visitors to sample emergency rations. We also signed a contract related to continuous donations with the All Japan Food Bank Promotion Council.

More and more people are relying on food banks, but donations of items to food banks are shrinking due to high prices, causing an imbalance between supply and demand as well as a social problem. At Nohmi Bosai, we will strive to attract more companies to this service.



Event scene

Details on Stockle+
(Japanese only)
https://www.nohmi-service.jp/n-service/stockle



Demonstration tests begin for NHOPS app to support opening and operating evacuation centers

Local governments across Japan have been compiling manuals and running drills related to opening and operating evacuation centers to be better prepared for disasters such as earthquakes, windstorms and floods. Since staff and officials working on-site at such centers are said to feel uneasy about opening a facility with just a manual, Nohmi Bosai embarked on developing NHOPS, an app that supports opening and operating evacuation centers. With a smartphone or other web-linked device, anyone can set up and operate an emergency shelter by viewing the necessary steps, one action per page, on the app. In June 2024, while the app was still in development, Nohmi Bosai conducted a demonstration test in cooperation with the city of Kasukabe, Saitama Prefecture.



nhops

Cross-boundary learning covering safety and disaster prevention to meet customers' expectations

Nohmi Bosai's medium- to long-term vision statement calls for "shaping safety to meet customers' expectations." Given the increasing severity and frequency of natural disasters in recent years, we are keen to expand our business coverage from fires to all kinds of disasters. With this in mind, we have been involved in cross-boundary learning in the city of Kamaishi, Iwate Prefecture, since 2021, giving us an ongoing presence in an area that saw serious disaster-related damage. Kamaishi was hit hard by the tsunami that followed the Great East Japan Earthquake in March 2011. Our local involvement aims to grasp the true extent of the disaster and better appreciate the intricacies of recovery and reconstruction efforts, experience that we can then utilize to create new disaster prevention solutions. Participating employees were qualified in advance as disaster prevention specialists to underpin their knowledge about disasters and disaster prevention. In Kamaishi, participants learned about the damage caused by the tsunami, gained an understanding of recovery and reconstruction efforts and also walked along actual evacuation routes with local people who recounted their experience with disaster. In addition, the interaction with a wide variety of people who survived the chaos gave participants a deeper perspective on the pain and suffering that gripped the community. This perspective, held by an increasing number of employees, will be integral to the success of new disaster prevention solutions.





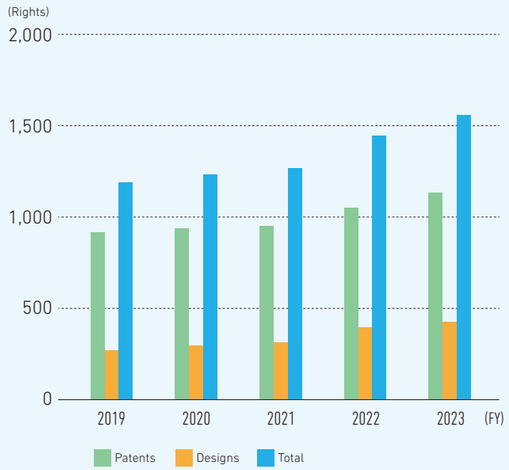

Initiatives to increase intellectual property

Medium- to Long-Term Vision 2028, Nohmi Bosai's current strategic roadmap, highlights efforts to boost R&D expenses to 3% of net sales by the end of March 2029. Intellectual property is one indicator of R&D investment effectiveness and, as of March 31, 2024, we held 1,116 patent rights and 420 design rights, for a total of 1,536 intellectual property rights. We have increased our portfolio of intellectual property about 30% over the past five years.

Nohmi Bosai filed 239 intellectual property applications covering patent rights and design rights in fiscal 2022.

To encourage employees to propose ideas with intellectual property potential, Nohmi Bosai established the program Nohmi Innovation Award, which recognizes innovation. The invitation for ideas is extended not only to R&D and technology departments but also to sales, installation and management departments, helping us build a bigger intellectual property portfolio.

Number of intellectual properties held



Materiality 2

Promote human resources development and ensure diversity as ways to respect personal autonomy and initiative

Due to the continued graying of society and the decreased workforce, the time is coming when a shortage of workers will erode the competitive edge companies have honed. To capture new business opportunities in our changing society, Nohmi Bosai will robustly approach human resources development as ways to respect personal autonomy and initiative while drawing on the diversification of human resources to create new added value and expand business activities.

Strengthening human resources strategies and diversity promotion systems

A pillar of Nohmi Bosai's "Medium- to Long-Term Vision 2028—Shaping the Customers' Expectations—" is the Personnel Strategy for Dynamic Growth. This initiative will support realization of our medium- to long-term vision by implementing various measures to accelerate the growth cycle of both employees and the Company. Integral to success is the concept of diversity, equity & inclusion (DE&I) because it creates a corporate culture that respects the individuality of each employee and provides opportunities for human resources with diverse skills and values to blossom and grow.

In October 2024, Nohmi Bosai formulated a Diversity, Equity & Inclusion (DE&I) strategy.

Diversity, Equity & Inclusion (DE&I) Strategy

Nohmi Bosai's company creed states, "As a pioneer in the disaster prevention business, we are committed to the mission and contribute to the safety of society." Since our earliest days, we have consistently worked to ensure the safety of society and thereby demonstrate the underlying spirit of the company creed.
Going forward, we will maintain this perspective to attract human resources with diverse abilities and values, and continue to create and present opportunities for employees to thrive and grow.
As a company and as a diverse group of individuals, we will deliver safety and security to all places and always lead the way in disaster prevention.
Toward this end, we will adhere to our company creed and management principle while implementing and evolving measures to uphold DE&I.

DE&I Slogan

Diversity is possibility.
Together, shaping one form of safety

At Nohmi Bosai, we believe that the combination of individuality and different backgrounds among employees leads to one form of safety never experienced before.

Employees respect diversity in others, and Nohmi Bosai creates an environment where each person can demonstrate individual strengths.

We are Team Nohmi, striving for one form of safety that only we can shape.
We are always moving forward, one step at a time, toward a bright future for everyone.

DE&I Policy

Diversity

Create an environment where people with diverse personalities exist within organizations and communities. We respect the individuality of each person and strive to cultivate an atmosphere diverse not only in gender, age, culture, nationality, religion, disability, gender identity, sexual orientation and gender expression but also values and lifestyles.

Equity

Develop a fair environment and systems that enable everyone to fully demonstrate abilities and exhibit personality, showcasing individuality. We provide consideration and systems based on the unique characteristics and needs of each person and ensure that everyone has access to equal opportunities.

Inclusion

Create an environment where everyone in the organization is respected and has the freedom to thrive by demonstrating abilities and individuality. We will ensure psychological safety by cultivating an atmosphere conducive to accepting and respecting the individual and thus generate high-added value to reach corporate goals.

Established: October 18, 2024
Takeshi Okamura
President and Representative Director
NOHMI BOSAI LTD.

DE&I activities

Nohmi Bosai has been engaged in DE&I activities for some time. As a result, the number of female employees in senior positions (equivalent to manager) reached 13, as of March 31, 2024. Looking to the future, we aim to boost this number to 15 by April 2025 and then to 40 by April 2030. We want to encourage wider involvement of women in the workplace in all corporate activities.

We are also focusing on mid-career recruitment. Over the past three years, we have hired an average of 56 people per year, with mid-career employees accounting for about 45% of total annual hires. Against the backdrop of a declining birthrate and an aging population, companies will have a harder time securing new graduates, and for our part, we plan to continue hiring mid-career employees. Meanwhile, the ratio of mid-career hires Companywide is 25% and, as of March 31, 2024, 17% of senior positions are filled by mid-career hires. We will maintain our stance on promoting employees with the qualities and abilities necessary for executing duties assigned to senior positions, regardless of whether these individuals were recruited as new graduates or as experienced individuals.

Also of note, we actively recruit foreign nationals, with an average of three people hired every year over the past three years. We intend to maintain this trend going forward and are holding counseling sessions and networking events to ensure that the retention rate of new foreign employees grows. We will also promote foreign nationals who have the necessary qualifications and skills.

Past initiatives to promote active participation of diverse human resources

Fiscal 2021	• Launched working group to promote active participation of women in the workplace
Fiscal 2022	• Implemented Companywide training on unconscious bias
	• Established the Committee for Promoting Active Participation of Women in the Workplace permanently
Fiscal 2023	• Implemented unconscious bias awareness training for department managers
	• Consolidated three subcommittees of Committee for Promoting Active Participation of Women in the Workplace into two, which continued activities from previous fiscal year
	• Held counseling sessions and networking events for new foreign employees
Fiscal 2024	• Inaugurated Human Resources Planning/DE&I Promotion Group
	• Implemented unconscious bias awareness training for line managers
	• Provided training to foreign employees and managers of foreign employees to promote greater understanding of different cultures

Efforts for personal autonomy and initiative

Autonomy and initiative fuel the growth and development of employees. We believe that employees should think and act independently and pursue initiative by fully harnessing their own potential, and that they should voluntarily continue to expand their own skills and expertise.

This requires a healthy work environment with a positive corporate culture that supports self-directed learning.

TOPICS

Training to improve digital skills

In line with the DX strategy defined in Medium- to Long-Term Vision 2028, we are implementing online training to develop human resources who have the ability to learn and apply digital skills, an approach that will lead to streamlined and more efficient work processes. Since fiscal 2021, a total of 357 employees have participated in this training, leading to an increase in the number of times that departments were able to utilize robotic process automation (RPA) in their operations.

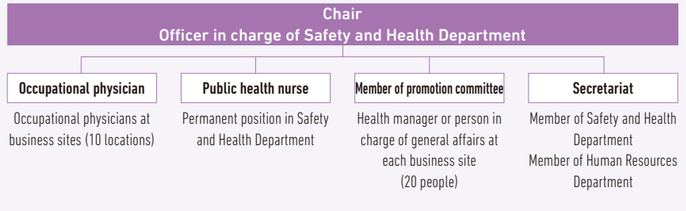


Workstyle reform

As of April 2024, the construction industry is also required to recognize an upper limit on overtime work. We implement training and work improvement workshops to enable employees to accurately understand the content of the maximum-overtime rule and obey the law. We also strive to comply with the upper-limit restriction by promoting workstyle reforms, including steps to control long hours of overtime, and seek to optimize employee hours through such measures as taking an inventory of tasks and dividing and leveling the workload among several people, effectively utilizing shared offices and information and communication technologies, outsourcing work and increasing personnel by hiring new graduates and experienced individuals.

Promoting health and productivity management

In line with the Nohmi Bosai Declaration on Health and Productivity Management, we promote health and productivity management from an integrated company-employee perspective. Under the Health Promotion Committee structure shown below, which is led by the committee chair, a concerted effort is made to share information with the Safety and Health Committee and relevant departments.



Our efforts were acknowledged with certification by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi in the large-enterprise category of a program that recognizes organizations outstanding in health and productivity management. This marked the fifth consecutive year that Nohmi Bosai received certification in this category.

2024 健康経営優良法人 Health and productivity

Childcare and nursing-care support

Balancing work and care for elderly family members or meeting childcare responsibilities demands understanding from colleagues and support from a company. Nohmi Bosai goes beyond legal rules with many comprehensive in-house programs to give employees diverse workstyles to choose from.

System for limited working hours

Employees who are balancing work and childcare or nursing care for family members can set their daily scheduled working hours from between four and seven hours, in 30-minute blocks.

Annual paid leave, expired vacation days, life-support days off

A maximum of 80 days of annual paid leave can be carried over, with unused leave in excess of 80 days held as expired paid leave for up to 40 days. Leave for caregiving reasons can be taken from this expired paid leave.

In addition, employees are entitled to 20 life-support days off every year to use as sick days or to seek medical treatment for themselves or a family member.

TOPICS

Creating environment receptive to taking childcare leave

Nohmi Bosai conducted in-house training on childcare leave again in fiscal 2023, with 1,802 people taking part. Childcare leave, especially the option for men, is increasingly seen as a major benefit that boosts employee motivation, prevents turnover and helps companies attract and keep experienced individuals. In light of this fact, we held two sessions of "Fathers' Classes," a webinar on the significance and effectiveness of childcare leave not only for women but also for men in a changing society. In addition, we conducted training for managers to explain the corporate need to offer male employees paternity leave.



Materiality
3

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

Nohmi Bosai recognizes that responding to climate change is a priority management issue, and the Company has set "embracing global environmental protection initiatives, starting by realizing carbon-neutral status" as a point of materiality (important issue). To strengthen environment-oriented initiatives in corporate activities, we established an environmental doctrine and a basic environmental policy under our management principle and take a Companywide approach to environmental protection activities.

Environmental Doctrine and Basic Environmental Policy

Environmental Doctrine

To execute the mission of being a pioneer in the disaster prevention business, NOHMI BOSAI LTD. supplies the latest, optimal and high-quality disaster prevention systems and services to protect life and property from disaster and performs corporate activities while considering preservation of the global environment.

Basic Environmental Policy

Nohmi Bosai tries to identify the effects of its activities on the environment, decides concrete environmental purposes and targets within the technically and economically possible range and promotes continuous improvements of its environmental management system.

1. Observance of laws and regulations

Nohmi Bosai will observe laws, regulations and agreements related to environmental preservation and work to prevent pollution.

2. Energy and resource saving

Nohmi Bosai will work to reduce the environmental burden by promoting the saving of energy and natural resources, and reuse, recycle and properly dispose of hazardous materials.

3. Products and services oriented toward the environment

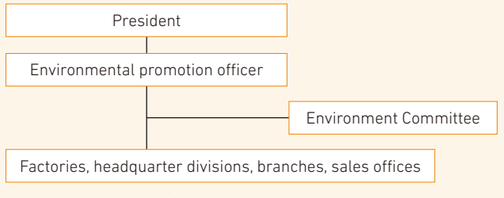
Nohmi Bosai will supply products and services oriented toward the environment.

4. Companywide understanding of basic environmental policy

Nohmi Bosai will make the basic environmental policy well known to all employees and improve the awareness of environmental preservation through workplace training and internal PR activities.

Promotion structure

For Nohmi Bosai, all employees are central to our environmental activities. They are environmental promoters engaged in environmental considerations daily, focusing on efforts to prevent direct release of greenhouse gases and reduce indirect emissions. General managers—environmental promotion managers—report results to the Environment Committee for use in future planning.



Environmental promotion managers
Environmental promoters

ISO 14001 certification obtained

As proof of our commitment to global environmental protection activities, we obtained collective ISO 14001 certification for the Mitaka Factory and the Menuma Factory. ISO 14001 is an internationally recognized standard that sets criteria for environmental management and audits.



ISO 14001 certification

Initiatives to reduce greenhouse gases

Nohmi Bosai seeks to achieve carbon-neutral status and engages in initiatives to reduce CO_2 emissions to help slow global warming. We are decreasing the amount of electricity, natural gas, fuel (gasoline, heavy oil, light oil and kerosene) and paper, are supporting organizations that conduct tree-planting activities to increase forest areas and are taking other steps to contribute to society.

Long-term reduction target

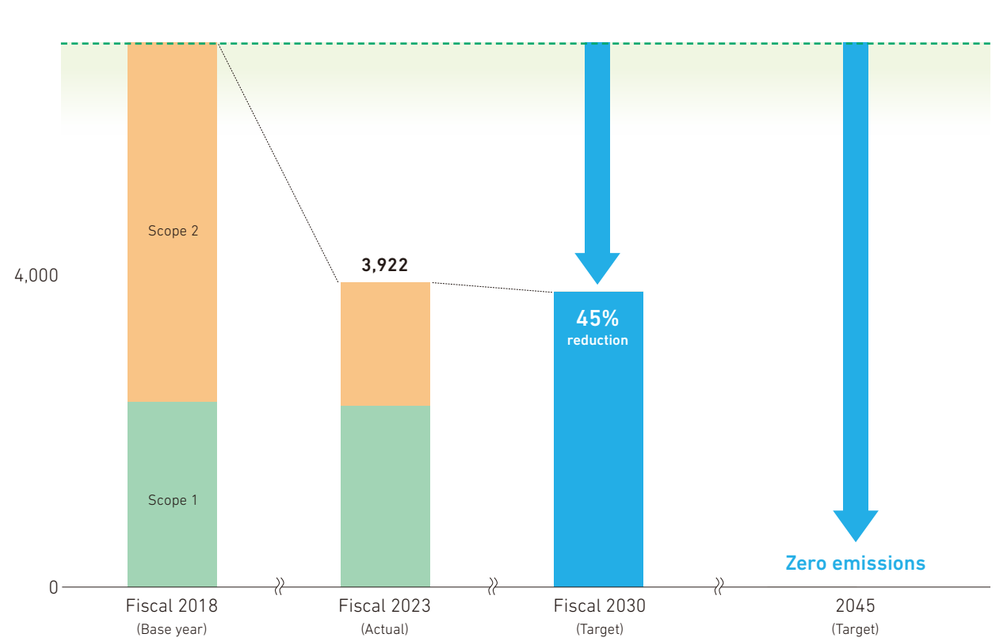
Aiming for zero greenhouse gas emissions by 2045 (Scope 1, 2*)

Medium-term reduction target

Bring greenhouse gas emissions down 45% from level in fiscal 2018 by fiscal 2030 (Scope 1, 2*)

*Scope 1: Direct emissions from such sources as gasoline, light oil and kerosene
Scope 2: Indirect emissions from such sources as electricity, heated water and chilled water

Trends and targets for Scope 1 and 2 greenhouse gas emissions



*Nohmi Bosai Group consolidated basis *Calculated using market standard

Concrete activities

Promoting wider use of electric vehicles

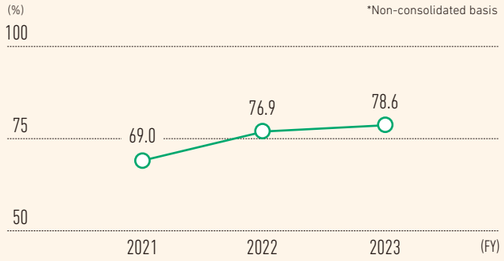
Nohmi Bosai backs the current shift toward electric vehicles (EVs)* for business use.

*A general term for electric cars, hybrid cars, plug-in hybrid cars, fuel-cell vehicles

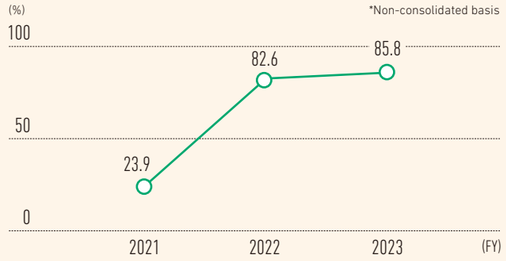
Converting to renewable electricity

We are promoting procurement of electricity derived from renewable energy, that is, renewable electricity.

Percentage of electric vehicles in corporate fleet



Percentage of electricity consumption from renewable electricity



Installation of rooftop solar panels and solar carport with emergency-preparedness function

As part of its decarbonization efforts, Nohmi Bosai installed solar panels on the roof of its Menuma Factory. In addition, we built a solar carport in the aboveground parking lot that also has an emergency-preparedness function. As a phase-free facility, meaning it is designed for everyday as well as emergency operations, the solar carport not only generates power for operations and for charging EVs, but also provides access, in the event of a disaster, to manhole toilets and power outlets via a dedicated transformer for disaster use connected to EVs and emergency-use panels. We signed an agreement with the city of Kumagaya, where the Menuma Factory is located, regarding support and cooperation in the event of a disaster, and are also looking toward possible assistance to the local community at the time of a disaster.



Developing environment-friendly fire extinguishing foam

Drawing on foam fire extinguishing technology accumulated over many years and applying the results of a thorough review of foam composition, Nohmi Bosai successfully developed a fire extinguishing foam that does not use PFAS (fluorinated organic compounds). Such compounds have become questionable due to their adverse effect on the human body. We remain committed to the process of building a sustainable society by preserving the natural environment and maintaining social systems.

Comparison of foam condition in a smoky environment



Ordinary fire extinguishing foam that does not use PFAS on the market



Newly developed fire extinguishing foam that does not use PFAS

Morino Project tree-planting volunteers

As part of its environmental activities, Nohmi Bosai supports the Morino Project* and is engaged in tree-planting activities to create disaster preventive forests that help block or at least minimize the impact of water-, wind- or fire-driven disasters on the area. In 2024, 55 employees participated in the Minamisoma City Repose and Restoration Civic Tree-Planting Festival in Fukushima Prefecture. Participants shared various comments, noting a sense of appreciation for being able to contribute even in a small way to recovery efforts by planting trees in this area still affected by the massive tsunami and a sense of accomplishment in seeing trees in a place where, before the tree-planting activity, nothing covered the ground.

*Public interest incorporated foundation established to develop forests that protect living things from natural disasters





Information disclosure in line with TCFD recommendations

Nohmi Bosai supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These recommendations encourage companies to disclose governance, strategy, risk management and metrics and targets regarding climate change. The Company discloses information in line with TCFD recommendations.

We also pursue measures to reduce risks and create opportunities, using analyses of the impacts (risks and opportunities) posed by climate change on our business.

Governance

Nohmi Bosai established the Sustainability Committee to discuss policies and measures for promoting sustainability, including approaches to climate change. For more information on the Sustainability Committee, please go to page 26.

Strategies

We pinpointed risks and opportunities brought about by climate change and implemented scenario analyses.

We opted for two scenarios: a 2˚C scenario*1 in which transitional impacts become apparent, and a 4˚C scenario*2 in which physical impacts become apparent. We applied such data as WEO*3 issued by IEA*4 to qualitatively assess the financial impact in 2050.

*1 2˚C scenario: Where tougher restrictions aimed at realizing a decarbonized society along with technological innovation promote changes in society to keep the global temperature rise within a sustainable range
*2 4˚C scenario: Where no useful measures to achieve a decarbonized society are put forward, temperatures continue to rise and abnormal weather and natural disasters become more severe
*3 World Energy Outlook
*4 International Energy Agency

Assessing risks and opportunities

Major category	Minor category	Risks and opportunities	Impact	Timeline*
Transitional risks (2˚C scenario)	Policies and regulations	Higher energy and raw material procurement costs due to introduction of carbon pricing	Medium	Medium to long term
	Technology	Higher R&D costs on products and services geared toward decarbonization	Medium	Medium to long term
	Market	Blunted competitiveness due to delayed response to market changes paralleling transition to a decarbonized society	Large	Long term
Opportunities (2˚C scenario)	Energy sources	Market expansion paralleling transition to decarbonized energy system	Large	Medium to long term
	Products and services	Growth in demand through development of products and services that contribute to decarbonization	Large	Long term
	Resource efficiency and resilience	Lower electricity costs achieved by streamlining manufacturing processes and promoting energy-saving measures	Small	Medium to long term
Physical risks (4˚C scenario)	Chronic	Reduced productivity in installation, maintenance and inspections due to heat stress	Small	Medium to long term
	Acute	Higher costs due to factory shutdowns and installation delays caused by intensifying weather disasters	Medium	Medium to long term
Opportunities (4˚C scenario)	Products and services	Growth in demand through development of products and services that address climate change	Medium	Long term

*Timeline is defined as follows: medium term is around 2030, and long term is around 2050.

Impacts and countermeasures/policies for each scenario

	2˚C scenario	4˚C scenario
Impacts (Analysis results and considerations)	• Costs may rise due to introduction of carbon pricing and R&D on products and services geared toward decarbonization. • Delay in responding to market changes accompanying transition to a decarbonized society might blunt competitive edge. • But demand could increase thanks to market expansion associated with transition to decarbonized energy system and development of products and services that contribute to decarbonization.	• Intensifying weather disasters might lead to costs associated with suspension of operations at Company factories and installation delays at project sites. • But demand could expand through development of products and services that address climate change.
Countermeasures and policies	• Promote introduction of renewable energy facilities and procurement of electricity generated from renewable energy to achieve carbon-neutral status • Promote development of products and services for a decarbonized society	• Further enhance comprehensiveness of BCP measures for manufacturing, installation, maintenance and inspection in preparation for unforeseen circumstances • Promote development of products, such as DRYMIST, that effectively address issue of rising temperatures, as well as products and services that respond to weather disasters of increasing intensity

Risk management

The Sustainability Committee evaluates risks and opportunities resulting from climate change, discusses approaches to mitigate risks and capitalize on opportunities, and updates the Board of Directors on important issues. In addition, the Risk Management Committee, which functions as a risk control structure, works with the Sustainability Committee to build a Companywide risk management system.

Materiality
4

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

Nohmi Bosai will continue to contribute to realizing a sustainable society by providing society with safety and security through its business activities. To implement management appropriate to a company that supports society this way, we will pursue efforts to build a robust supply chain, ensure corporate management that respects human rights and reinforce disaster resilience, that is, formulate a strong business continuity plan.

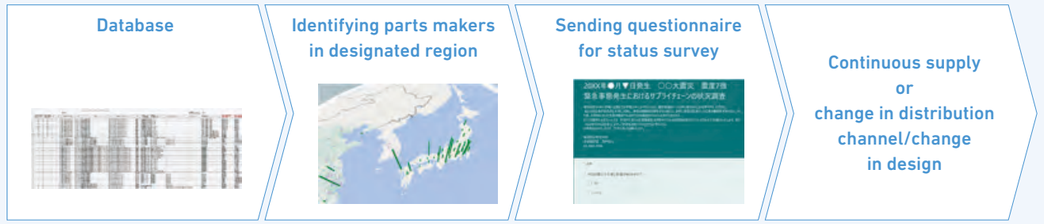
Addressing supply chain disruptions and strengthening procurement resilience

Since 2021, the world has seen considerable upheaval, from natural disasters and fires to lockdowns in a number of cities to prevent the spread of COVID-19 and further to the war in Ukraine, all of which fueled an order frenzy that led to a global shortage of parts. The Nohmi Bosai Group was not immune to the situation, with the availability of parts deteriorating to unprecedented levels from the second half of fiscal 2021 onward. The shortage of semiconductors has been particularly challenging, forcing cuts in production. To respond quickly Companywide, we set up the Parts Procurement Task Force on December 1, 2021, which explored new approaches to parts procurement and sales. Key measures were the selection of alternative parts, the placement of advance orders, a heightened level of cooperation with business partners and the use of different distribution channels. We were particularly successful in the selection of alternative parts and able to find alternatives for about 70% of several hundred difficult-to-procure parts, an initiative that reduced equipment shortages. We also benefited from a change in distribution channels for other hard-to-obtain parts. Through these measures, we were able to maintain a stable supply of products in the second half of fiscal 2023.

However, since the rising price of semiconductors and other parts and materials remains an issue, we are promoting the visualization of commercial and physical distribution and building a more resilient supply chain.

Also of note, we are creating a system to facilitate a quick check to confirm if a purchased item has a distribution channel or its production site is in an area affected by disaster, should such an emergency situation occur, and what the impact on future procurement might be.

Building strategic supply chain (emergency response)



Strengthen corporate governance through the structure of a company with an Audit & Supervisory Committee and a majority of outside directors

With approval from shareholders at the 80th General Meeting of Shareholders, held on June 25, 2024, Nohmi Bosai has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. In addition, we have appointed independent outside directors, making them a majority of directors, to further strengthen corporate governance.

Reasons behind transition to a company with an Audit & Supervisory Committee

- Further enhance corporate governance by strengthening the supervisory function of the Board of Directors and reinforcing the monitoring system
- Accelerate management decision-making and enhance discussion content at Board of Directors meetings



Roundtable Discussion with Outside Directors



Shin Shiotani
Outside Director

Keiko Hirano
Outside Director

Akiko Nagahama
Outside Director
Audit & Supervisory Committee Member

Masahito Fukuda
Outside Director
Audit & Supervisory Committee Member

We expect Nohmi Bosai, a pioneer in the disaster prevention business in Japan, to create new value in diverse disaster-related business domains and contribute to a better world.

Nohmi Bosai from a governance perspective

Shiotani: A pioneer in the field of disaster prevention, Nohmi Bosai is an industry leader that plays a vital role in building a resilient society. As a result, it is extremely important for the Company to maintain a properly functioning internal control structure from a risk management perspective, especially in terms of safety, quality control and fraud prevention. This is a top priority. Next, since Nohmi Bosai engages in research and technology development as well as installation and maintenance of disaster-prevention systems, the Company must also cultivate human resources with the high-level expertise to underpin such pursuits. This is something I am always paying close attention to.

Hirano: A report was presented to the Board of Directors on recovery efforts following fires. Despite an extremely difficult situation, recovery work proceeded faster than expected, thanks to the efforts of Nohmi Bosai and other businesses. Those efforts earned the gratitude of affected customers. Nohmi Bosai has been involved in earthquake recovery operations many times in the past. In the wake of the Noto Peninsula Earthquake on New Year's Day 2024, employees from the local Hokuriku Branch and from other offices rushed to help customers return to work. Nohmi Bosai is probably doing much more than I am aware of to support customers and communities as a whole in disaster-stricken areas through its core operations and social contribution initiatives, but these activities are not necessarily widely known or acknowledged beyond corporate walls. I would like more people to understand that Nohmi Bosai takes disaster prevention very seriously.

Fukuda: Nohmi Bosai's social mission is to provide disaster prevention systems for use in emergencies. To fulfill this mission, the Company must enjoy the trust of society and continue to offer safety and security. As Ms. Hirano mentioned, Nohmi Bosai is a truly honest company that takes disaster prevention very seriously. I think we outside directors have a duty to uphold this reputation and emphasize the Company's profile as a company highly reliable to society. Furthermore, to increase the level of trust that society already has in Nohmi Bosai, there is a need to nurture the Company's capacity to adapt to changes in the environment and be innovative in ways that stay ahead of the times. I would like to actively seek reforms from an external perspective.

Nagahama: Disaster prevention systems are not usually uppermost in people's minds, but these systems are the last line of defense in protecting life and property. Product quality and safety are paramount, as is equipment control, maintenance and upkeep, because people's lives literally depend on products and flawless operating equipment when the need arises. Knowing how factories and equipment are managed, that is, being aware of the health and safety of employees involved in operations, is essential. It is also important that the significance of and responsibility for work be widely understood at all work sites. In that update on recovery efforts mentioned earlier, I realized that employees at Nohmi Bosai are very aware they provide integral support for the social infrastructure.

Shiotani: Outside officers at Nohmi Bosai bring a wide range of knowledge to the table. But I believe the most important role of an outside director is to ensure that the Company's decisions are appropriate from an external perspective and in terms of accepted social standards.

Fukuda: I had a long career in the non-life insurance industry, which I feel has a strong affinity with the disaster prevention industry in terms of mission—both industries seek to protect people's lives and property. There are similarities, yes, but also differences. I believe my role at Nohmi Bosai is to use my personal experience to offer opinions from a fresh perspective. My goal is to provide constructive suggestions gained from accumulated experience and an external perspective, on human capital management and management conscious of capital costs, which are themes of particular interest to companies right now. In addition, I believe integrity is a critically important quality and, in a corporate management sense, the foundation of business. I totally agree that Nohmi Bosai has integrity, and I am keen to fulfill my role in making the Company even better from an integrity perspective.

Hirano: Companies engaged in disaster prevention tend to emphasize professional competence from a natural science perspective, driven by analysis, research and technology development applicable to natural disasters. However, such companies should also showcase expertise from a social science perspective, highlighting efforts to improve regional emergency preparedness, or a humanities perspective, passing on the lessons learned from past disasters. I was a member of the Cabinet Office's Central Disaster Management Council for many years. During that time, there were many occasions when my communication-related knowledge was required to determine who does what to ensure effective communication. I hope to play a similar role at Nohmi Bosai.

Nagahama: My primary responsibility, as an attorney and a member of the Audit & Supervisory Committee, is to carefully monitor various risks that emerge in the course of Nohmi Bosai's business activities. At the same time, my major role as an outside director requires me to contribute to corporate growth. Nohmi Bosai is poised to embrace challenges to achieve corporate growth, and I will support the Company's bold efforts by closely monitoring preparations, particularly by properly analyzing various risks. If a situation arises, I will ensure that management has identified the cause and that appropriate measures have been taken.

Reasons for transition from company with Audit & Supervisory Board to company with Audit & Supervisory Committee

Shiotani: With shareholders' approval at the General Meeting of Shareholders in June 2024, Nohmi Bosai transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. An increase in the number of outside directors was discussed in conjunction with this change, as it would lead to enhanced governance by having a majority of directors from outside the Company. On the negative side, there was concern that so few executives with practical knowledge of Nohmi Bosai's operations might be problematic. But it was decided that people responsible for specific operations could continue to provide information tailored to the agenda and attend meetings, an arrangement that would offset any perceived lack of practical knowledge by outside directors. The establishment of the Audit & Supervisory Committee is a new approach for Nohmi Bosai. The key point will be whether this organizational structure reinforces the Company's monitoring functions.

Hirano: During the four years I have been an outside director at Nohmi Bosai, the Company has steadily implemented recommendations, most of which came from outside directors, and made improvements. Discussions by the Board of Directors have become more animated, opportunities for communication have increased and the level of communication has definitely improved.

Fukuda: I also thought putting changes to the organizational structure on the agenda was an extremely good move. I believe the focus of audits by Audit & Supervisory Board members is on legality. But changing my position to that of an outside director who serves as an Audit & Supervisory Committee member has given me greater freedom to express my opinion from the perspective of appropriate corporate activities and performance as well. I feel my responsibilities have increased and my work is more rewarding than ever. Opinions about the appropriateness of management decisions can be made only with a thorough understanding of the business, so I broached the idea of access to study sessions, business meetings and other discourse opportunities, and I have already had the chance to attend several meetings.

Shiotani: Recently, various irregularities and examples of misconduct have occurred at large companies that were supposed to have had strict internal controls in place. But just establishing an internal control system is not enough. Ensuring that the system operates properly is also extremely important. I truly believe it is necessary for outside officers like us to maintain a certain sense of skepticism and raise the alarm if something seems odd or if there is doubt that the checks and balances are really working.

Fukuda: At the Audit & Supervisory Committee meeting last month, we broached the subject of on-site audits and immediately arranged to visit factories and branch offices.

Nagahama: As part of the former Audit & Supervisory Board, I had the chance to go on factory tours with outside directors. I thought I asked the necessary questions then and there. But when the Audit & Supervisory Committee was established, the full-time member set very ambitious targets and began working to enhance the effectiveness of the committee. This resulted in very lively discussions, and I too felt more motivated to tackle issues. My responsibilities will increase but there will be more opportunities to conduct on-site audits. I would like to improve the effectiveness of audits and make a greater contribution to Nohmi Bosai.

Expectations for further improvement in corporate value

Shiotani: A management issue that I feel is very important going forward pertains to the effective use of available resources. Nohmi Bosai is making investments, notably, the new Mitaka Factory and expanded capacity at the Menuma Factory, but I think management should take a more proactive approach to investment in R&D, capital investment, M&A and other pursuits that will help the Company grow. Recently, companies have been required to track management indicators, such as return on equity and the price-to-book ratio. What is important is not just making the numbers add up but to think carefully about corporate growth and improvement in corporate value and implement the necessary strategies. Results will follow. Nohmi Bosai management should never forget that.

Hirano: I would add that Nohmi Bosai should use human resources more effectively. I believe the Company needs more female disaster prevention professionals. For example, a female perspective can be very useful in many aspects, such as the operation of evacuation centers. I think women will be indispensable to Nohmi Bosai's growth. The priority should be not just to create more opportunities for women to play active roles in business but, in the truest sense, to place the right person in the right position and fully benefit from human resources expertise.

Shiotani: Regarding human resources initiatives, simply hiring more people or assigning more people to a certain department is not enough. Instead, Nohmi Bosai must optimize the organizational structure itself with an emphasis on the placement of human resources. The time has come to start optimizing the corporate structure—and this extends to the entire Nohmi Bosai Group—and put the right people in the right positions.

Fukuda: I think the vision statement in Medium- to Long-Term Vision 2028 that calls for "shaping safety to meet customers' expectations" is perfect. It represents a strong determination to give shape to something not yet formed and thus create new value. As a pioneer in the disaster prevention business, Nohmi Bosai has to be that "first penguin." Nohmi Bosai has to be an innovator in technology to prevent disasters, including earthquakes and floods. I think this is the Company's true mission.

Another thing I want to mention is that Japan is experiencing an increase in various kinds of disasters, but the domestic market for emergency preparedness products and systems is going to shrink long term because of the population decline. But looking abroad, we see that many countries have growing populations but fragile social infrastructures and insufficient disaster prevention measures. Japan is a country prone to natural disasters, and Nohmi Bosai has developed systems fine-tuned to such disaster scenarios. The Company's contribution to safety and security will expand considerably if its systems are made available overseas. I would like to see Nohmi Bosai be more ambitious in creating new value by targeting the protection of people and property from disasters worldwide.

Nagahama: I share that view and would like Nohmi Bosai to demonstrate its stance by earmarking capital for turning R&D results and ideas generated in-house into new value. On a different note, the working group for promoting active participation of women in the workplace is continuing its mandate as the Committee for Promoting Active Participation of Women in the Workplace, and in April 2024, Nohmi Bosai set up a Human Resources Planning/DE&I Promotion Group under the Human Resources Department as a structure encompassing these activities. I am tremendously optimistic about changes on the front lines. I truly hope Nohmi Bosai will take advantage of perspectives from different vantage points, including the opinions of women, in R&D and new business activities.

Corporate Governance

Fundamental approach

We recognize the importance of enhancing corporate governance to achieve sustainable growth and improve medium- to long-term corporate value.

On the basis of this recognition, we are working to ensure the transparency and fairness of our corporate management and to engage in rapid business decision-making.

Furthermore, to build relationships of trust with our shareholders and all our other stakeholders, we disclose information timely and appropriately and do our utmost to provide accountability.

We enforce thorough compliance with corporate ethics and the internal rules of the Group, and we dedicate ourselves to compliance-based management to prevent misconduct.

Overview of our corporate governance structure

The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee by a resolution of the 80th Annual General Meeting of Shareholders, held on June 25, 2024. The purpose of this transition to a company with an Audit & Supervisory Committee is to strengthen the oversight functions of the Board of Directors by having Audit & Supervisory Committee members, who are in charge of auditing the execution of duties by directors, serve as members of the Board of Directors and thereby further enhance corporate governance by reinforcing the monitoring system.

Our Board of Directors is responsible for making important management decisions and overseeing business operations with the goals of maximizing corporate value, ensuring the transparency and fairness of corporate management and engaging in rapid business decision-making. The board is made up of 11 directors, including seven directors (excluding directors who serve as Audit & Supervisory Committee members), three of whom are outside directors, and four directors who serve as Audit & Supervisory Committee members, three of whom are outside directors. As a matter of policy, the majority of directors are independent outside directors to strengthen the board's oversight functions. Within this structure, we have established a Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors. The Nomination and Compensation Committee reinforces the independence, objectivity and accountability of the Board of Directors' functions regarding the nomination and compensation of directors. Furthermore, we have introduced an executive officer system to enhance the agility of our management.

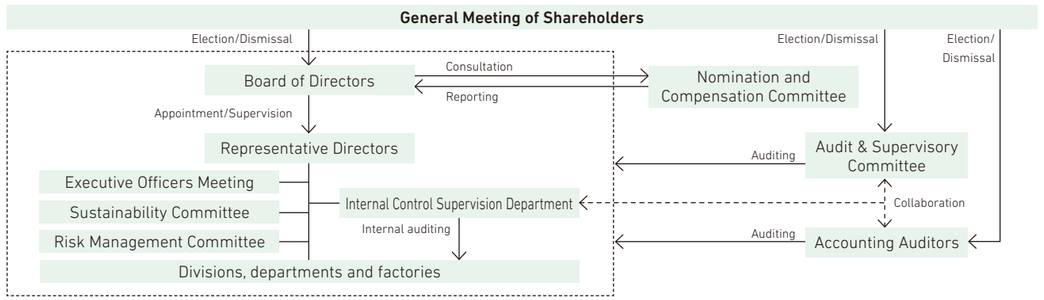
We believe that our current structure, composed of a Board of Directors and an Audit & Supervisory Committee, is highly effective. Our Board of Directors, made up of directors who are particularly well versed in the Company's business and business segments and independent outside directors with wide-ranging knowledge and experience, makes management decisions and supervises operations. Our Audit & Supervisory Committee, where outside directors form the majority, performs auditing fairly and independently. Six of the 11 directors are independent outside directors (with three directors not serving as Audit & Supervisory Committee members and three directors serving as Audit & Supervisory Committee members) in order to assemble a diversity of knowledge and to strengthen the board's oversight functions. The Company believes that since the majority of the members of the board are independent outside directors, the objectivity and independence of the management oversight function are sufficiently ensured.

For risk management, we have formulated the Risk Management Regulations and established a risk management structure. The Risk Management Committee carries out activities to prevent risks from materializing and is chaired by the executive in charge of the CSR Promotion Department. Executives in charge of the Corporate Planning Department, General Affairs Department, Public Relations Department and other departments serve as standing members.

With this format, we have enhanced our corporate governance by establishing a business management structure and by formulating business management and operation regulations.

Our corporate governance structure is shown on the previous page.

Corporate governance structure



Nomination of candidates for director

To ensure that the Board of Directors makes decisions appropriately and speedily, the diversity, size and balance of the overall expertise and experience of the Board of Directors are taken into consideration when candidates for director are nominated. In addition, the majority of the members of the board are independent outside directors in order to assemble a diversity of knowledge and to strengthen the board's oversight functions. On the basis of these factors, we nominate for executive directors those persons particularly well versed in the Company's business and business segments who possess exceptional knowledge, experience and abilities. We nominate for non-executive directors those persons who have a wide range of knowledge and extensive experience.

The possession of knowledge, experience and abilities necessary for auditing are taken into consideration to make comprehensive decisions concerning the nomination of candidates for directors to serve as Audit & Supervisory Committee members. In addition, we include as candidates for Full-time Audit & Supervisory Committee members those persons who are well versed in the Company's business and business segments.

If something arises that leads to a director being deemed unable to appropriately execute his or her duties, the Board of Directors uses a report from the Nomination and Compensation Committee to decide how to handle the issue.

On the basis of the report issued by the Nomination and Compensation Committee, the Board of Directors deliberates and decides on the nomination of specific candidates.

The candidates for directors who serve as Audit & Supervisory Committee members are nominated with the approval of the Audit & Supervisory Committee.

Skill matrix for directors

Name Position	Corporate Management	Sales Strategy	Technology, R&D, Production	Finance and Accounting	Legal, Compliance, Risk Management	Human Resources and Labor, Diversity	Overseas Knowledge and Insight	Disaster Management Knowledge and Insight
Takeshi Hashizume Director	●	●	●	●	●			●
Takeshi Okamura Director	●	●		●	●	●	●	●
Masahiro Hasegawa Director	●	●	●					●
Takehiko Senda Director	●	●		●			●	
Shin Shiotani Outside Director (Independent)	●	●		●	●			
Keiko Hirano Outside Director (Independent)	●					●		●
Tetsuya Sumi Outside Director (Independent)	●	●			●			
Hiroyuki Fujii Director Full-time Audit & Supervisory Committee Member			●	●	●			●
Akiko Nagahama Outside Director Audit & Supervisory Committee Member (Independent)					●	●		
Masahito Fukuda Outside Director Audit & Supervisory Committee Member (Independent)	●	●			●	●		
Michio Abe Outside Director Audit & Supervisory Committee Member (Independent)	●		●				●	

* The above matrix is not a comprehensive description of all the knowledge, insights and experience of individual directors.

Audits by Audit & Supervisory Committee members and internal audits

The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee by a resolution of the 80th Annual General Meeting of Shareholders, held on June 25, 2024.

The Audit & Supervisory Committee is composed of one Full-time Audit & Supervisory Committee member and three outside directors who serve as Audit & Supervisory Committee members.

The Full-time Audit & Supervisory Committee member attends meetings of the Board of Directors, Executive Officers Meetings and other important meetings, and examines Group companies, monitors the independence of the accounting auditors and receives reports and explanations from the accounting auditors. Meetings of the Audit & Supervisory Committee are held periodically to report and deliberate the results of these activities with the aim of enriching the Company's audits. In addition to receiving reports from the Full-time Audit & Supervisory Committee member at meetings of the Audit & Supervisory Committee, outside directors who serve as Audit & Supervisory Committee members receive briefings on the status of the execution of directors' duties at meetings of the Board of Directors and share their opinions as necessary.

The Internal Control Supervision Department, which is an internal auditing department independent from other operational departments, collaborates with the Audit & Supervisory Committee members and accounting auditors to systematically audit the finances and operations of all departments, including those of Group companies. The results of these audits are reported to the president, Audit & Supervisory Committee, Executive Officers Meeting and Board of Directors. The Internal Control Supervision Department provides recommendations and instructions for improvements and requires departments to regularly report on the status of their improvement activities, seeking to address any problems that arise. The Internal Control Supervision Department also performs its required tasks under the system for evaluating and auditing internal controls over financial reporting in accordance with the Japanese Financial Instruments and Exchange Act.

In addition to holding regular meetings, the accounting auditors, Audit & Supervisory Committee members and the Internal Control Supervision Department coordinate with, communicate with and report to each other as necessary.

Attendance at Audit & Supervisory Board meetings in fiscal 2023

Name	No. of meetings held	No. of meetings attended
Yoshihisa Asakura*1	3	3
Hiroshi Kondo	10	10
Hiroyuki Fujii*2	7	7
Kazuo Kondo*1	3	2
Yasuhiro Takahashi	10	10
Akiko Nagahama	10	10
Masahito Fukuda*2	7	7

*1 Audit & Supervisory Board member Yoshihisa Asakura and outside Audit & Supervisory Board member Kazuo Kondo retired at the conclusion of the 79th Annual General Meeting of Shareholders, held on June 27, 2023.

*2 Since Audit & Supervisory Board member Hiroyuki Fujii and outside Audit & Supervisory Board member Masahito Fukuda were newly appointed at the 79th Annual General Meeting of Shareholders, held on June 27, 2023, the number of meetings refers to meetings conducted since their appointment.

Nomination and Compensation Committee

The Nomination and Compensation Committee deliberates important matters related to the nomination and compensation of directors and reports to the Board of Directors. Specifically, it deliberates compensation standards for individual director positions, compensation composition ratios for different director positions and proposals for the election of directors to be discussed at the General Meeting of Shareholders.

Four of the committee's seven members are independent outside directors. Over half of the committee's members are thus independent outside directors. The committee is chaired by an independent outside director to enhance the independence and objectivity of the committee.

Attendance at Nomination and Compensation Committee meetings in fiscal 2023

Name	No. of meetings held	No. of meetings attended
Shin Shiotani	4	4
Takeshi Hashizume	4	4
Takeshi Okamura	4	4
Tatsuya Izumida*1	1	1
Takehiko Senda*2	3	3
Ichiro Ishii	4	4
Keiko Hirano	4	4
Kazuo Kondo*1	1	0
Yasuhiro Takahashi*2	3	3

*1 Director Tatsuya Izumida and outside Audit & Supervisory Board member Kazuo Kondo retired at the conclusion of the 79th Annual General Meeting of Shareholders, held on June 27, 2023.

*2 Since director Takehiko Senda and outside Audit & Supervisory Board member Yasuhiro Takahashi were newly appointed in June 2023, the number of meetings refers to meetings conducted since their appointment.

Relationship to the parent company

The Company and its parent company, SECOM Co., Ltd.'s corporate group, are engaged in businesses relating to "safety and security." The SECOM Group strives to create services and systems that deliver safety and peace of mind, as well as make life more comfortable and convenient, with the aim of realizing its Social System Industry vision by providing various integrated services. To this end, the SECOM Group is developing businesses such as security services, disaster prevention services, medical services, insurance services, geospatial information services and BPO and ICT services. Of these, the Company plays a central role in the disaster prevention business and has separated its business domains from those of SECOM. The Company will continue to pursue mutual development with SECOM to achieve the *ANSHIN* Platform concept, proposed by the SECOM Group.

The Company has also established a Nomination and Compensation Committee to deliberate important matters related to the nomination and compensation of directors. The majority of the members of the Nomination and Compensation Committee are independent outside directors who are independent from SECOM, and the committee is chaired by an independent outside director. SECOM exercises its voting rights while fully respecting the decisions of the Company's Nomination and Compensation Committee and the Board of Directors.

Main activities of outside directors and outside Audit & Supervisory Board members

Name		Main activities	No. of Board of Directors meetings attended*1
Outside Directors	Shin Shiotani	Mr. Shin Shiotani uses his extensive knowledge and experience accumulated as a manager of a publicly listed company and makes appropriate and needed comments. He serves as the chair of the Nomination and Compensation Committee, which deliberates important matters related to the nomination and compensation of directors. He supervises the Company's management from an independent, objective and neutral standpoint.	12/12
	Ichiro Ishii*2	Mr. Ichiro Ishii used his extensive knowledge and international experience accumulated as a manager of a publicly listed company and made appropriate and needed comments. He was a member of the Nomination and Compensation Committee, which deliberates important matters related to the nomination and compensation of directors. He supervised the Company's management from an independent, objective and neutral standpoint.	12/12
	Keiko Hirano	Ms. Keiko Hirano uses her extensive knowledge and experience from having held several public positions related to disaster prevention and firefighting and makes appropriate and needed comments. She is a member of the Nomination and Compensation Committee, which deliberates important matters related to the nomination and compensation of directors. She supervises the Company's management from an independent, objective and neutral standpoint.	12/12
Outside Audit & Supervisory Board Members	Yasuhiro Takahashi*2	Mr. Yasuhiro Takahashi used his extensive knowledge and experience accumulated as an executive officer of a publicly listed company and made appropriate and needed comments. He was a member of the Nomination and Compensation Committee, which deliberates important matters related to the nomination and compensation of directors. He contributed to discussions from an independent, objective and neutral standpoint.	12/12
	Akiko Nagahama	Ms. Akiko Nagahama uses her expertise, primarily as an attorney, to make appropriate and needed comments about the Company's compliance structure.	12/12
	Masahito Fukuda	Mr. Masahito Fukuda uses his extensive knowledge and experience accumulated as a manager of a publicly listed company and makes appropriate and needed comments.	9/9 *3

*1 Figures for attendance at Board of Directors meetings are for fiscal 2023.

*2 Outside director Ichiro Ishii and outside Audit & Supervisory Board member Yasuhiro Takahashi resigned from their positions upon completing their terms of office at the end of the 80th Annual General Meeting of Shareholders, held on June 25, 2024.

*3 Since outside Audit & Supervisory Board member Masahito Fukuda was newly appointed at the 79th Annual General Meeting of Shareholders, held on June 27, 2023, the number of meetings refers to meetings conducted since his appointment.

Compensation for directors

The Company's basic policy on compensation for directors (excluding directors serving as Audit & Supervisory Committee members) is to utilize a compensation system and compensation standards that contribute to the Company's ability to secure exceptional human resources and function as incentives to improve the Group's medium- to long-term corporate value while achieving sustainable growth. The content of the compensation system is based on reports from the Nomination and Compensation Committee, which was established as a voluntary advisory body to the Board of Directors. We strive to maintain the objectivity and transparency of the compensation system.

Specifically, compensation for executive directors consists of basic compensation, bonuses and restricted stock compensation. Compensation for non-executive directors does not include bonuses or restricted stock compensation because non-executive directors must have a high level of independence.

Basic compensation for the Company's directors (excluding directors serving as Audit & Supervisory Committee members) consists of monthly fixed compensation. In deciding the amount of compensation, consideration is given to their position, the Company's business performance and compensation standards for companies of equivalent size. These basic compensation standards are reviewed and revised using reports from the Nomination and Compensation Committee as necessary in response to changes in the business environment.

Performance-based compensation consists of bonuses paid at certain times each year. Since the Company believes that increasing sales and profits is an important factor in continuing to contribute to making society safer, bonus amounts are decided on the basis of sales and profit conditions, while qualitative evaluations of progress of initiatives and the contributions of individual directors to the Company's business are also taken into consideration.

Non-monetary compensation consists of restricted stock issued at certain times each year, with the number of issued common shares decided according to the position of the receiving director. To ensure that the values of directors are aligned with those of shareholders over the medium to long term, the transfer restriction period is from the date of stock issuance through the date of the director's resignation.

These compensation standards are reviewed and revised using reports from the Nomination and Compensation Committee as necessary in response to changes in the business environment.

The composition ratios for each type of compensation for executive directors are decided according to their position, based on the Company's business environment, its business performance and reports from the Nomination and Compensation Committee, with consideration given to compensation standards for companies of equivalent size.

The amount of compensation for each director who serves as an Audit & Supervisory Committee member is determined through consultation with directors serving as Audit & Supervisory Committee members, within the scope resolved by the General Meeting of Shareholders.

Compensation for directors and Audit & Supervisory Board members (fiscal 2023)

Officer category	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)			No. of eligible executives
		Basic compensation	Performance-based compensation	Non-monetary compensation	
Directors (excluding outside directors)	239	200	26	12	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	49	49	—	—	3
Outside directors	25	25	—	—	3
Outside Audit & Supervisory Board members	25	25	—	—	4
Total	339	300	26	12	17

*1 Bonuses are paid to directors as performance-based compensation. Since the Company believes that increasing sales and profits is an important factor in continuing to contribute to making society safer, bonus amounts are decided on the basis of sales and profit conditions, while qualitative evaluations of progress of initiatives and the contributions of individual directors to the Company's business are also taken into consideration.
*2 Restricted stock is issued to directors as non-monetary compensation.

Evaluation of the effectiveness of the Board of Directors

Every year, the effectiveness of the entire Board of Directors is analyzed and evaluated using opinions and requests from directors and Audit & Supervisory Board members. The results of these evaluations are used to improve the effectiveness of the Board of Directors.

In fiscal 2023, discussions were conducted to gather input from directors and Audit & Supervisory Board members, and the structure and operation of the Board of Directors were analyzed and evaluated.

This analysis and evaluation confirmed that the overall effectiveness of the Board of Directors is secured. Specifically, preliminary briefings of agenda items were held, information was appropriately provided to outside officers and the board engaged in lively discussions at every meeting.

However, it was determined that a greater amount of time should be allotted to discussions from a broader perspective.

In addition, the Company transitioned to a company with an Audit & Supervisory Committee by a resolution of the 80th Annual General Meeting of Shareholders, held on June 25, 2024. Through this change, we aim to further strengthen the oversight functions of the board. However, in line with the transition, it was determined that the support system for the Audit & Supervisory Committee needs to be improved and the system for providing information to the board needs to be further enhanced. The board will work to address these issues in the future.

Status of strategic shareholdings

Holdings policy

The Company owns shares of its business partners as strategic holdings with the aim of maintaining and reinforcing its business relationships. These strategic holdings are reviewed to verify their contributions to medium- to long-term economic rationality, mutual coordination in business operations, the improvement of corporate value, etc. When holdings are deemed inappropriate or irrational, deliberations are carried out to reduce cross-holdings through such means as the sale of strategic holdings.

Method of verifying the rationality of holdings

Every year, the Board of Directors verifies the economic rationality and reasonableness of each of the strategic holdings in terms of the appropriateness of the objectives of cross-holdings from a medium- to long-term perspective and the business relationship with the company involved.

Number of companies in which the Company has strategic holdings and balance sheet amounts (as of March 31, 2024)

	No. of companies	Total balance sheet amount (Millions of yen)
Shares of non-listed companies	19	356
Shares other than shares of non-listed companies	37	4,626

Management Structure

(As of June 30, 2024)

Directors



Takeshi Hashizume

Chairman and Representative Director

April 1967 Joined the Company
June 1998 Director, the Company
June 2004 Managing Director, the Company
June 2006 Senior Managing Director, the Company
June 2008 President and Representative Director, the Company
June 2013 Chairman and Representative Director, the Company (current position)



Takeshi Okamura

President and Representative Director

April 1983 Joined the Company
June 2015 Director, the Company
June 2017 Managing Director, the Company
June 2019 Senior Managing Director, the Company
June 2020 Director and Senior Managing Executive Officer, the Company
June 2021 President and Representative Director, the Company (current position)
June 2021 Executive Manager of Sales Management Headquarters, the Company (current position)



Masahiro Hasegawa

Director and Senior Managing Executive Officer

April 1978 Joined the Company
June 2013 Director, the Company
June 2018 Managing Director, the Company
June 2020 Director and Managing Executive Officer, the Company
June 2022 Director and Senior Managing Executive Officer, the Company (current position)
June 2024 Vice Executive Manager of Sales Management Headquarters, Executive Manager of Engineering & Construction Division, Responsible for Chubu Area, the Company (current position)



Takehiko Senda

Director

April 2016 Joined SECOM Co., Ltd.
June 2017 Executive Officer, SECOM Co., Ltd. (current position)
June 2023 Director, the Company (current position)

Significant concurrent position
Executive Officer, SECOM Co., Ltd.



Shin Shiotani

Director (Outside Director)

April 1967 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)
June 1995 Director, The Fuji Bank, Limited
June 1997 Full-time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member), Nippon Kokan Ltd. (now JFE Steel Corporation)
April 2007 Outside Audit & Supervisory Board Member, JFE Steel Corporation
June 2009 Outside Director, Penta-Ocean Construction Co., Ltd.
June 2015 Outside Director, the Company (current position)



Keiko Hirano

Director (Outside Director)

April 1990 Newsreader, Japan Broadcasting Corporation
April 2000 Member, Council of Food, Agriculture and Rural Area Policies, Ministry of Agriculture, Forestry and Fisheries
July 2002 Member, Committee for Technical Investigation on Exchange of Disaster Management Information, Central Disaster Management Council, Cabinet Office
July 2003 Member, Committee for Technical Investigation on Transmission of Lessons Learned from Past Disasters, Central Disaster Management Council, Cabinet Office
May 2005 Councilor, Firefighters Scholarship Society (current position)
April 2006 Member, Committee for Technical Investigation on Tokyo Inland Earthquake Evacuation Responses, etc., Central Disaster Management Council, Cabinet Office
February 2007 Member, Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology
April 2007 Professor, Broadcasting Department, Osaka University of Arts (current position)
October 2011 Member, Committee for Policy Planning on Disaster Management, Central Disaster Management Council, Cabinet Office
May 2013 President, Disaster Management Certification Examination Association (now Disaster Management Education Promotion Association)
May 2013 Director, Japan Fire and Disaster Prevention Association (current position)
January 2015 Member, Social Security Council, Ministry of Health, Labour and Welfare
June 2020 Outside Director, the Company (current position)
April 2023 Member, Child and Families Council, Children and Families Agency (current position)

Significant concurrent positions
Professor, Broadcasting Department, Osaka University of Arts; Director, Japan Fire and Disaster Prevention Association; Councilor, Firefighters Scholarship Society



Tetsuya Sumi

Director (Outside Director)

April 1985 Joined Tokio Marine & Fire Insurance Co., Ltd. (now Tokio Marine & Nichido Fire Insurance Co., Ltd.)
April 2014 Director and Managing Executive Officer, Nisshin Fire & Marine Insurance Co., Ltd.
April 2016 Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.
April 2018 Managing Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.
April 2022 Senior Managing Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.
April 2024 President, Tokio Marine & Nichido Auto Support Center Co., Ltd. (current position)
June 2024 Outside Director, the Company (current position)

Significant concurrent position
President, Tokio Marine & Nichido Auto Support Center Co., Ltd.

Directors Serving as Audit & Supervisory Committee Members



Hiroyuki Fujii

Director
Full-time Audit & Supervisory Committee Member

April 1987 Joined the Company
June 2015 General Manager of CSR Promotion Department, the Company
June 2023 Full-time Audit & Supervisory Board Member, the Company
June 2024 Director, Full-time Audit & Supervisory Committee Member, the Company (current position)



Akiko Nagahama

Outside Director
Audit & Supervisory Committee Member

December 2007 Registered as Attorney
December 2007 Joined Law Office of Yamaguchi, Nagahama & Mizuno (now Law Office of Nagahama, Mizuno & Inoue)
June 2021 Outside Director, Dainichiseika Color & Chemicals Mfg. Co., Ltd. (current position)
June 2022 Outside Audit & Supervisory Board Member, the Company
June 2024 Outside Director, Audit & Supervisory Committee Member, the Company (current position)

Significant concurrent positions
Attorney, Law Office of Nagahama, Mizuno & Inoue; Outside Director, Dainichiseika Color & Chemicals Mfg. Co., Ltd.



Masahito Fukuda

Outside Director
Audit & Supervisory Committee Member

April 1981 Joined Taisho Marine and Fire Insurance Co., Ltd. (now Mitsui Sumitomo Insurance Co., Ltd.)
April 2012 Executive Officer, Mitsui Sumitomo Insurance Co., Ltd.
April 2014 Managing Executive Officer, Mitsui Sumitomo Insurance Co., Ltd.
April 2016 Director and Managing Executive Officer, Mitsui Sumitomo Insurance Co., Ltd.
April 2018 Director and Senior Executive Officer, Mitsui Sumitomo Insurance Co., Ltd.
April 2020 Executive Officer, MS&AD Insurance Group Holdings, Inc.
June 2020 Director and Executive Officer, MS&AD Insurance Group Holdings, Inc.
April 2021 Director and Executive Vice President, Mitsui Sumitomo Insurance Co., Ltd.
April 2023 Director, MS&AD Insurance Group Holdings, Inc.
June 2023 Outside Audit & Supervisory Board Member, the Company
June 2023 Outside Audit & Supervisory Board Member, Mitsui Sumitomo Aioi Life Insurance Company, Limited (current position)
June 2024 Outside Director, Audit & Supervisory Committee Member, the Company (current position)

Significant concurrent position
Outside Audit & Supervisory Board Member, Mitsui Sumitomo Aioi Life Insurance Company, Limited



Michio Abe

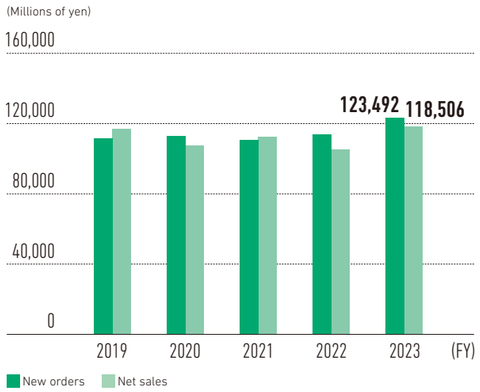
Outside Director
Audit & Supervisory Committee Member

April 1972 Joined Fuji Electric Manufacturing Co., Ltd. (now FUJI ELECTRIC CO., LTD.)
June 2010 Director, FUJI ELECTRIC CO., LTD.
April 2011 Director and Managing Executive Officer, FUJI ELECTRIC CO., LTD.
April 2012 Director and Senior Managing Executive Officer, FUJI ELECTRIC CO., LTD.
April 2024 Director, FUJI ELECTRIC CO., LTD.
June 2024 Special Advisor, FUJI ELECTRIC CO., LTD. (current position)

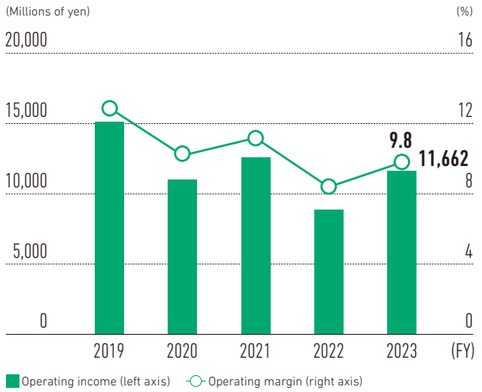
Significant concurrent position
Special Advisor, FUJI ELECTRIC CO., LTD.

Financial/Non-Financial Highlights

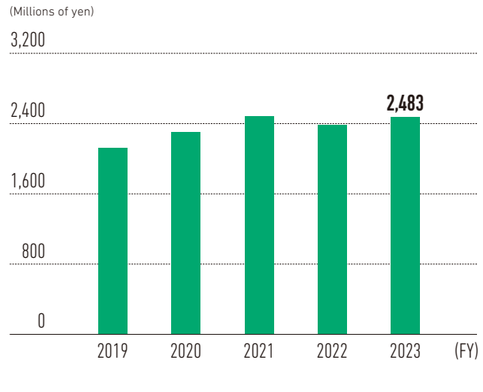
New orders/net sales



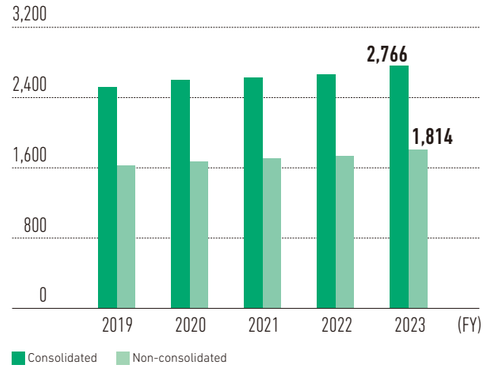
Operating income/operating margin



R&D expenses



Number of employees



Net income attributable to owners of parent/ROE

Net income per share/dividend/payout ratio

Number of women in management positions (non-consolidated)

Childcare-leave usage rate by male employees (non-consolidated)

Net assets/total assets

Capital expenditure/depreciation

Annual paid-leave usage rate (non-consolidated)

Average monthly overtime hours per employee (non-consolidated)

Company Profile

(as of March 31, 2024)

Company name	NOHMI BOSAI LTD.
Created	December 1916
Founded	March 1924
Established	May 5, 1944
Capital	¥13,302 million
Listed stock exchange	Prime Market, Tokyo Stock Exchange
Construction work permit number and type of construction work	Minister of Land, Infrastructure, Transport and Tourism Permit No. (Special-4) 5229: Electrical work Minister of Land, Infrastructure, Transport and Tourism Permit No. (Special-2) 5229: Fire protection facilities work, piping work, telecommunications work, machinery installation
Employees (consolidated)	2,766

Group companies (as of October 1, 2024)

- NISSIN BOHSAI Co., Ltd.
- NOHMI Engineering Corporation
- Yashima Bosai Setsubi Co., Ltd.
- Nohmi System Co., Ltd.
- Chiba Nohmi Co., Ltd.
- Nohmi Techno Engineering Co., Ltd.
- Hokkaido Nohmi Co., Ltd.
- System Service Co., Ltd.
- Sakamoto Densetsu Co., Ltd.
- Aomori Nohmi Co., Ltd.
- Iwate Nohmi Co., Ltd.
- Miyagi Nohmi Co., Ltd.
- Tohoku Nohmi Co., Ltd.
- SYSTEMS Co., Ltd.
- Akita Nohmi Co., Ltd.
- Fukushima Nohmi Co., Ltd.
- Niigata Nohmi Co., Ltd.
- Shikoku Nohmi Co., Ltd.
- Kyushu Nohmi Co., Ltd.
- Oita Nohmi Co., Ltd.
- Chiyoda Service Co., Ltd.
- Kyodo Setsubi Co., Ltd.
- Security Software Co., Ltd.
- Eishin Denshi Co., Ltd.
- Koatsu Co., Ltd.
- Nohmi Taiwan Ltd.
- Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.
- Nohmi Bosai (India) Pvt. Ltd.

Stock Information

(as of March 31, 2024)

Status of shares

Number of authorized shares	160,000,000
Number of issued shares	60,832,771
Number of shareholders	3,800 (year-on-year decrease of 433)

Major shareholders

Name	Number of shares held (thousands)	Percentage of total shares in issue (%)*
SECOM Co., Ltd.	30,598	50.6
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,319	5.5
Shareholding Commission of NOHMI BOSAI Distributors	2,235	3.7
Shareholding Commission of NOHMI BOSAI Partners	1,665	2.8
MUFG Bank, Ltd.	1,000	1.7
Custody Bank of Japan, Ltd. (Trust Account)	999	1.7
Shareholding Commission of NOHMI BOSAI Employees	957	1.6
NORTHERN TRUST CO. (AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	840	1.4
Sumitomo Mitsui Banking Corporation	765	1.3
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	720	1.2

*The percentage of total shares in issue is calculated after deducting 392,085 treasury stocks.

Shareholder structure

	Number of shares held (thousands)
Japanese financial institutions	8,220
Japanese securities companies	386
Other Japanese corporations	34,095
Foreign institutions and individuals	7,747
Japanese individuals and others	9,990
Treasury stocks	392
Total	60,832

