



NOHMI BOSAI LTD.



NOHMI BOSAI LTD.

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NOHMI INTEGRATED REPORT 2023

Integrated Report

Fiscal 2022

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.

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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.



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.

Nohmi Bosai History

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

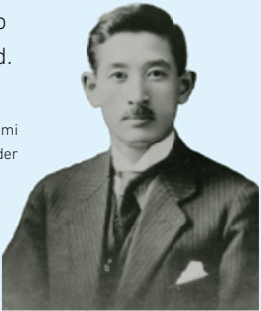
Management history

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 Menuuma Factory completed



Menuuma Factory, at time of completion (Menuuma-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

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

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-Marui* and *Chokai-Marui*, 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-Marui*, marking first use of such system on maritime vessel

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

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

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

1972
Developed equipment for fire and smoke control system

1974
Developed fire protection systems for LNG bases

1979
Launched sales of Mamoru-kun, a 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

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

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



DRYMIST

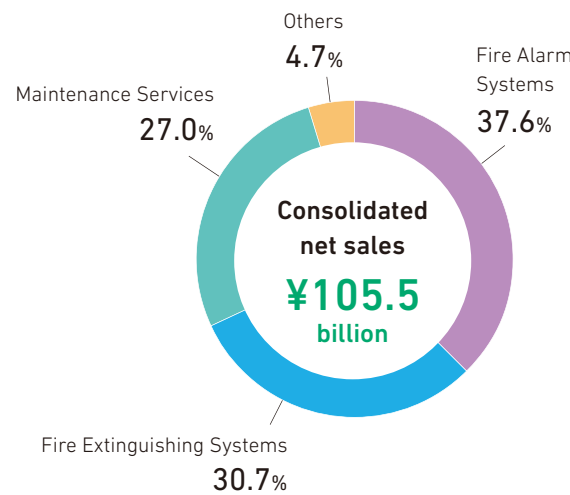


Manual fire alarm box with ring-shaped location lamp

Nohmi Bosai Today

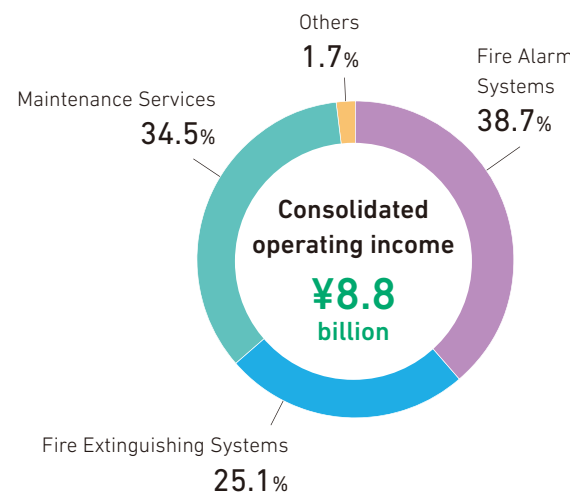
Net sales breakdown by segment

(Fiscal 2022)



Operating income breakdown by segment

(Fiscal 2022)



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

Business segment

Principal products and services

Business activities

Net sales and operating income by segment

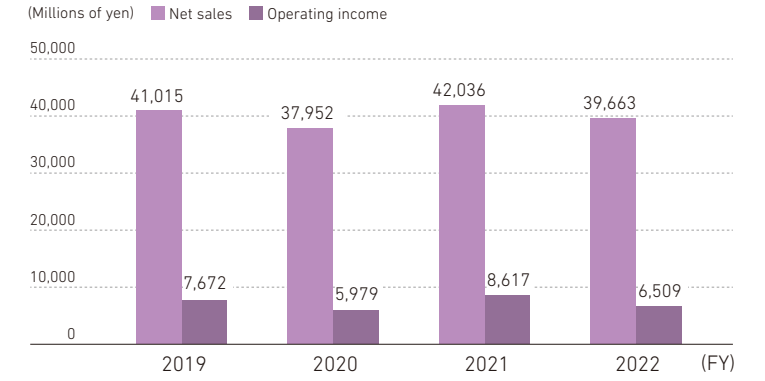


Fire Alarm Systems

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

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.

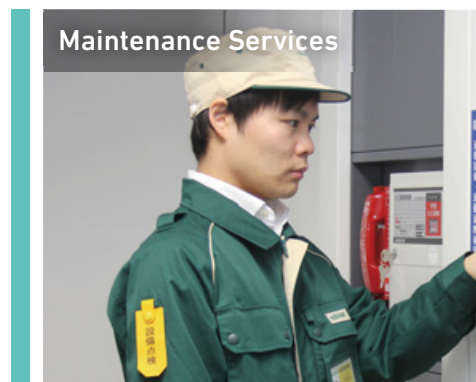
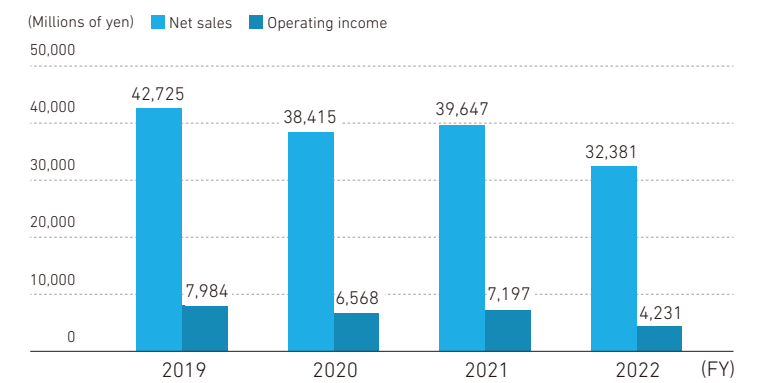


Fire Extinguishing Systems

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.

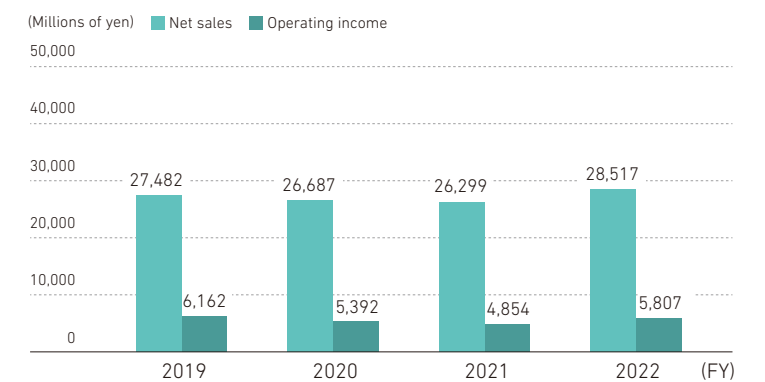


Maintenance Services

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.

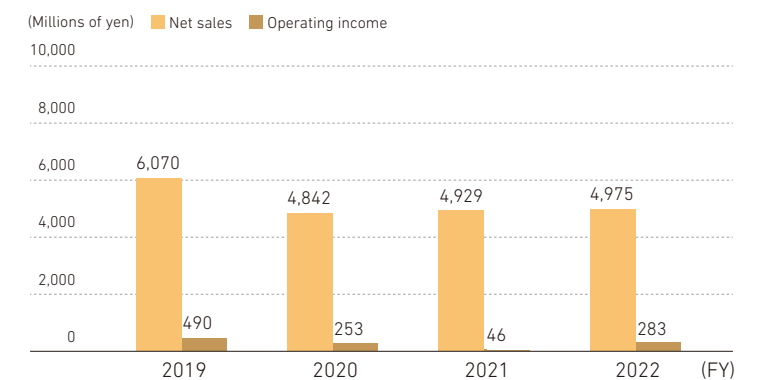
This segment provides a wide range of maintenance and inspection services related to all types of fire protection equipment, including around-the-clock support services, as well as repair services, to ensure a high level of safety. As a manufacturer, Nohmi Bosai knows fire protection systems inside and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



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

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

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

Factories

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

Ships

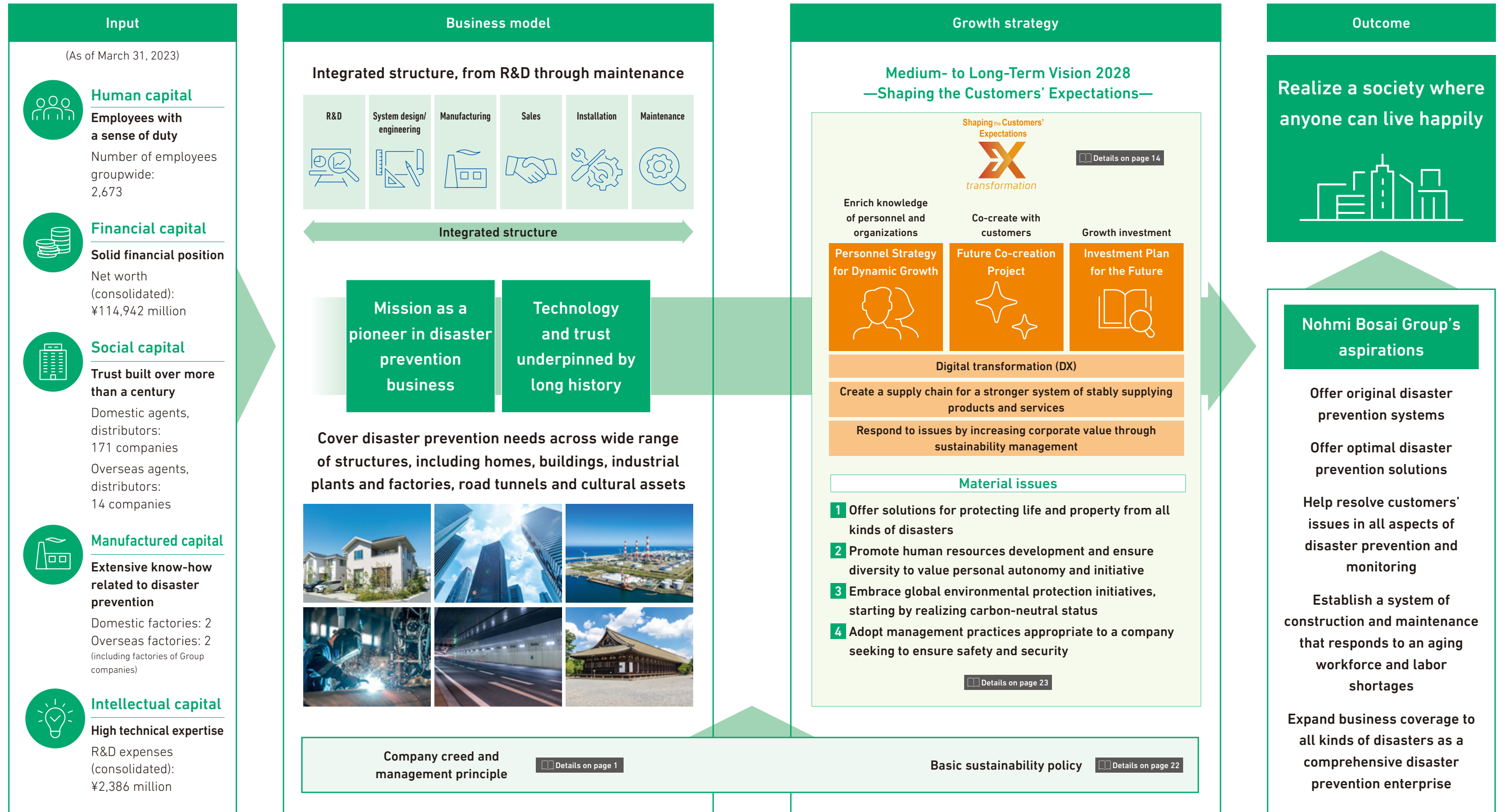
■ Key systems and equipment
Ship-use fire detection and alarm systems, dedicated smoke detection and fire extinguishing systems for ships, carbon dioxide fire extinguishing systems

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.





Takeshi Okamura
President and Representative
Director

The year 2023 marks a century since the Great Kanto Earthquake and the starting point for Nohmi Bosai. We strive to create products and services that represent the times and be a company that exceeds everyone's expectations.

» Looking back on fiscal 2022 and looking toward activities for the future

Order volume hit a record high but net sales and income declined, impacted by tight supplies of components and soaring raw material prices

The operating environment for the Nohmi Bosai Group was booming in fiscal 2022, ended March 31, 2023, fueled by favorable overall demand from the construction industry, notably, redevelopment projects in urban areas and upgrades at logistics centers, data centers and other facilities in surrounding areas. In addition, there is movement among Japanese companies with factories overseas to bring production back home, given the spread of infectious diseases and the issue of climate change, as well as heightened geopolitical risk and an emphasis on business continuity planning. As a result, companies are allocating a larger budget to capital investment. These trends are likely to continue for a while, supporting the stable growth of Nohmi Bosai's fire alarm and fire extinguishing systems businesses.

That said, component shortages—particularly, tight supplies of semiconductors—and skyrocketing raw material prices persisted, creating conditions that impacted our ability to manufacture some products and adversely affected net sales and income. Our mainstay products are certified by the Japan Fire Equipment Inspection Institute, and since switching components is not really an option, we had to work extra hard to procure the approved components. This led to some higher costs. The component shortage has mostly been resolved, but long lead times remain in some categories, including electronic components, and we are working to procure components as quickly as possible to secure the inventory needed to manufacture our products. Higher prices and increased inventories are costly. Nowhere was this more evident than in the construction industry, which is a core client sector, where rising costs, especially for building materials, put downward pressure on the value amount of orders we received from clients.

Consequently, Nohmi Bosai secured record-high orders in fiscal 2022 on a consolidated basis but posted decreases in net sales and income year on year. Operating income, in particular, dropped 29% from the level of the previous fiscal

year, leaving us with a significant issue to address.

By business, the Fire Alarm Systems segment booked fewer high-profit projects, while the Fire Extinguishing Systems segment saw a year-on-year decrease in large projects, including tunnel work. These factors contributed to lower sales in both segments. During the pandemic, the Maintenance Services segment was limited in its revenue-generating activities, due to restricted access to client sites, postponed inspections and repair work previously planned and other factors. However, in fiscal 2022, the situation vastly improved, leading to all-time highs in orders and sales. Operating income also rebounded to the second-highest level ever.

The fire protection systems and equipment we handle are installed in the last stages of building construction, and use of a newly constructed building is permitted only when the installed systems and equipment pass fire-station inspection. Therefore, a delay in delivery or installation on our part is extremely inconvenient for the owner of the building and the construction company handling the project. Renovation work and repairs ordered but then postponed during the pandemic started moving in the latter half of 2022, and demand is expanding. We expect this trend to continue in fiscal 2023 and will strive to ensure a stable supply structure for products. If a shortage of a certain component has the potential to delay delivery of finished systems and equipment to clients, we will propose an alternative product that can be supplied and thereby avoid situations that might inconvenience our clients.

In addition, since electricity bills, logistics expenses and other payments are still sky-high and compounding the issue of component-related costs, we, as a manufacturer, came to the unavoidable conclusion that our prices had to increase and raised prices on some products in April 2023. We will be firm in negotiations on prices for new orders and hope to transfer higher costs to prices as quickly as possible.

» Future Co-creation Project to address social issues

Drafted medium- to long-term vision statement to “shape safety to meet customers’ expectations”

In fiscal 2019, the Nohmi Bosai Group embarked on Medium- to Long-Term Vision 2028, a 10-year plan to realize the corporate ideal. Fiscal 2022 was the first year of a new medium-term business plan covering Stage II of the longer-term vision. But the pandemic and other significant events have altered the business landscape, and the operating

environment is now vastly different from when Stage I was drafted. Given this situation, we drafted and revealed a new medium- to long-term vision statement to define Nohmi Bosai's long-term direction more clearly. Several social issues are becoming increasingly serious, some global in scale, such as the spread of infectious diseases,

supply-chain upheaval fueled by geopolitical risk and natural disasters of greater intensity due to climate change, and some more specific to Japan, such as an aging social infrastructure and a labor shortage caused by the decreasing population. The "bosai" in our name means "disaster prevention," and while our focus to date has been on fire protection, we knew we could protect people's lives, their property and the wider environment from dangers and risks by going beyond just preventing fire-related disasters. We did not limit our perspective to disasters such as earthquakes and floods caused by torrential rain, but instead listened closely to clients' descriptions of their troubles and what they need from us. We decided to explore new businesses responsive to client requests and continually embrace challenges. Approaches to reshape proposals and improve the value we provide to clients fall under the Future Co-creation Project banner.

In fiscal 2022, we invited Nohmi Bosai employees to submit ideas for future co-creation new businesses, held a series of workshops for project members and began verifying several ideas with business potential. As we work through the verification process, we are accepting additional ideas now, in fiscal 2023, as well. Although this initiative was launched just recently, we have already gathered numerous ideas that prompt us to think that "this might be what we have missed" and "we hope we can do something like this."

Along with requesting ideas in-house, we are ramping up efforts to promote faster responses to clients' new issues and needs. For example, in light of an increased number of fires at factory sites such as chemical plants, semiconductor facilities and food factories, we are proposing solutions that

enhance fire protection measures to clients with factories. Of course, clients have fire protection equipment at factories in accordance with the Fire Services Act, but installation alone is often not enough. Therefore, we identify locations on production lines and other areas where a fire could break out and provide fire alarms and fire extinguishing systems perfect for that particular factory.

In addition, a fire in October 2019 that destroyed most of Shuri Castle in Okinawa raised awareness of the need for enhanced efforts to protect cultural assets such as temples, shrines and castles from fire and also prompted greater government-funded financial support for such efforts. Nohmi Bosai has the capability of meeting growing demand, having marked a first back in 1933 with installation of an automatic fire alarm system at a national treasure, Sanjusangen-do, a temple in Kyoto. Today, we draw on accumulated expertise and a solid track record related to fire protection systems for cultural assets to provide systems and services to clients across Japan seeking protection of important cultural assets and buildings.

Aging social infrastructure is another issue attracting considerable attention in communities across Japan. Nohmi Bosai has distinctive expertise in fire protection systems for highway tunnels and has provided numerous solutions, including fire alarms, fire hydrants and water spray systems, to such projects. The number of tunnels requiring large-scale repairs due to structural deterioration is extremely high. Our aim going forward will be to capture significant demand with the best fire protection solutions for tunnel projects not only on highways but also those on national and prefectural roads.

» Personnel Strategy for Dynamic Growth and Investment Plan for the Future

Realize vision and transform the Company by enhancing knowledge from human resources and organizational perspectives and by investing for growth

To provide new value to clients and society under the current demand scenario, we have to improve capabilities among our human resources and build a stronger corporate structure. One particularly pressing issue concerns human resources. From fiscal 2024, the construction industry will apply an upper limit on overtime, and knowing how to raise productivity while reducing overtime is extremely important. Even Nohmi Bosai, a disaster prevention company, has to address this question. Now more than ever, we must expertly implement strategies to secure and train human resources. If we do not, we may think we are expanding business, but without the right number of human resources with the right skills, growth will be unattainable. Therefore, we have embraced the Personnel Strategy for Dynamic Growth. The goal is to simultaneously accelerate a cycle of growth on both corporate and individual levels through a

multifaceted approach covering work-style reforms, recruitment, the personnel system, transfers and assignments, development and diversity. The key to delivering results while reducing overtime will be greater efficiency in operations through the use of IT tools. We will promote flexible work styles and streamlined operations, ensuring a clear-cut division of in-house and on-site labor and ending inefficient activities such as having on-site workers return to the office to complete documents.

Consolidated performance targets stated in Medium- to Long-Term Vision 2028 are net sales of at least ¥170 billion and an operating margin of at least 10%, based on operating income of at least ¥17 billion, by fiscal 2028, ending March 31, 2029. Under normal circumstances, we should have been able to attain consistently higher results, but the impact of changes in our operating environment, most notably,

consequences from the pandemic during the three years of the previous medium-term business plan, have been enormous. In hindsight, obviously we set the bar too high. As a result, if we are to reach stated performance targets, we cannot rely solely on the growth of existing businesses. Creating new businesses is essential, and the Future Co-creation Project is a key driver in this effort. Because new business creation is so critically important, we are working on the Investment Plan for the Future without sparing any investment. Specifically, in addition to R&D investment equivalent to 3% of anticipated net sales in fiscal 2028, we have planned ¥30 billion over the three years through fiscal 2024 for growth investment, with funds primarily being used to pursue M&A, rebuild the foundation, invest in personnel, enhance the supply chain and invest in the environment. Naturally, we will have to invest more than before in product development if we are to provide new products and services. At the same time, we will accelerate investment in digital transformation (DX), which uses digital technology to streamline work activities and frees employees from tedious tasks to focus on more demanding ones. We will utilize IT tools in the best ways possible to improve efficiency and save labor while maintaining quality in system installation and inspection activities.

We made investments based on the Investment Plan for the Future in fiscal 2022 by building a new, larger facility nearby Mitaka Factory that commenced production in June 2022, making various types of custom control panels. The site size of the new facility is about three times larger than that of the old Mitaka Factory and has about five times as much floor space, and we aim to boost productivity. We

» Message to stakeholders

Drawing on 100 years of disaster prevention history to realize a sustainable society

Nohmi Bosai established the Sustainability Management Promotion Working Group in September 2022, formulated a basic policy, identified four points of materiality and then set about improving the structure for promoting sustainability. In March 2023, the working group transitioned into the Sustainability Committee, an advisory body to the president.

Nohmi Shokai, the predecessor of today's Nohmi Bosai, was not a disaster prevention company. It was a trading company. But the Great Kanto Earthquake on September 1, 1923, triggered a firestorm close to today's JR Ryogoku Station that took the lives of about 40,000 people. Company founder Teruichi Nohmi saw the tragedy unfold before him and felt compelled to pursue the disaster prevention business, leading to the establishment of Nohmi Bosai. Given the reason for its establishment, Nohmi Bosai focused on fire protection, but the Company's management principle is "to protect life and property from disaster." Our business is therefore not restricted to fire protection products and



installed the latest equipment and opted for exterior and interior designs that are extremely attractive. I encourage any clients who have the occasion for on-site inspection to view the facility.

In M&A activities, we brought Nissho Setsubi Kogyo Co., Ltd., under the Group umbrella in April 2022. Originally a distributor for Nohmi-brand products in the Oita area of Kyushu, the company was renamed Oita Nohmi Co., Ltd., and restarted business bringing the Nohmi brand to the forefront. In July 2022, we turned Sakamoto Densetsu Co., Ltd., into a wholly owned subsidiary. The Hokkaido-based company is involved in strong-current electrical equipment projects and, as a member of the Nohmi Bosai Group, will work with Hokkaido Nohmi Co., Ltd., and System Service Co., Ltd., also in our Hokkaido zone, to expand sales and accelerate new demand.

services. Times change and, as evidenced all too often these days, disasters are occurring with increasing intensity due to global warming and climate change. Looking toward the next 100 years, we will need to apply accumulated expertise and experience to a multifaceted array of disaster scenarios, not just fire, to protect people's lives and property from assorted disasters and contribute more fully to realizing a sustainable society. This sentiment is encapsulated in our basic policy on sustainability.

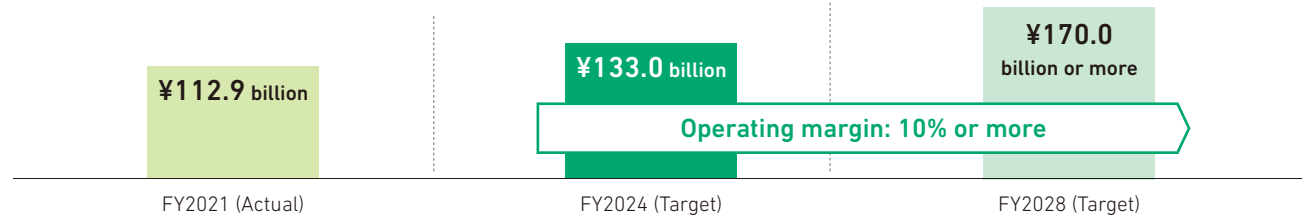
This policy is vital to our capability of meeting the expectations of stakeholders, and achieving this goal will surely lead to sustainable growth for us as a company. The year 2023 marks a century since the Great Kanto Earthquake and the starting point for Nohmi Bosai. We will use this milestone in our corporate history as a new beginning and strive to be a company that exceeds the expectations of society by creating products and services representative of the times.

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

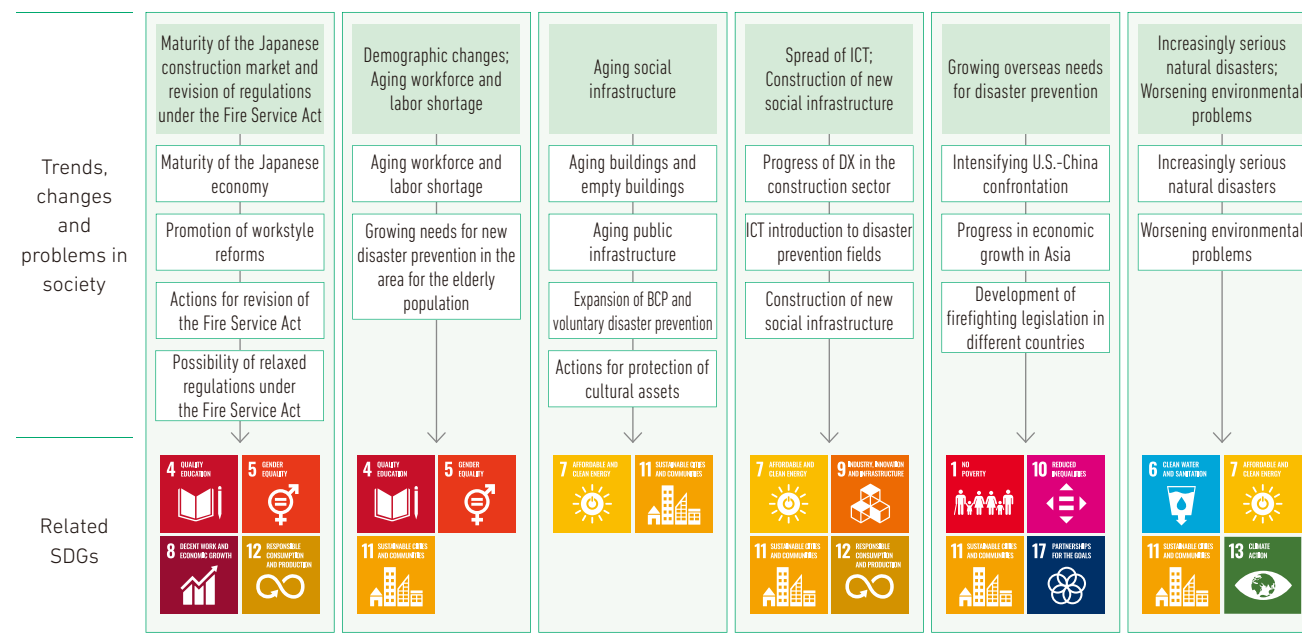
The Nohmi Bosai Group defined its aspirations for fiscal 2028 and formulated measures to achieve this ideal under the catchphrase "Medium- to Long-Term Vision 2028—Shaping the Customers' Expectations—." With the start of Stage II of the vision in fiscal 2022, we formulated a medium- to long-term vision statement with the corporate trajectory laid out more clearly for the long term.



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



Awareness of the external environment



Medium- to long-term vision statement



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

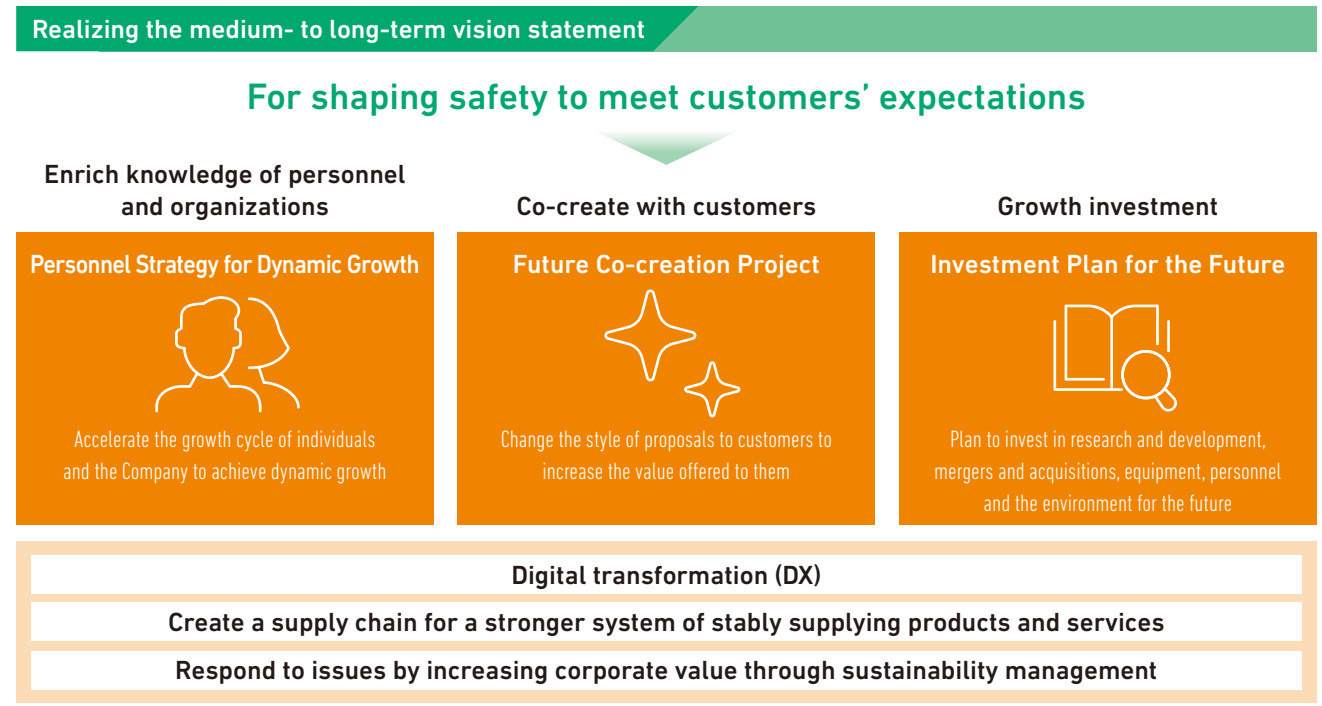
We will help create a society where precious human lives, property and the environment are protected and where anyone can enjoy safety and live happily.

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.

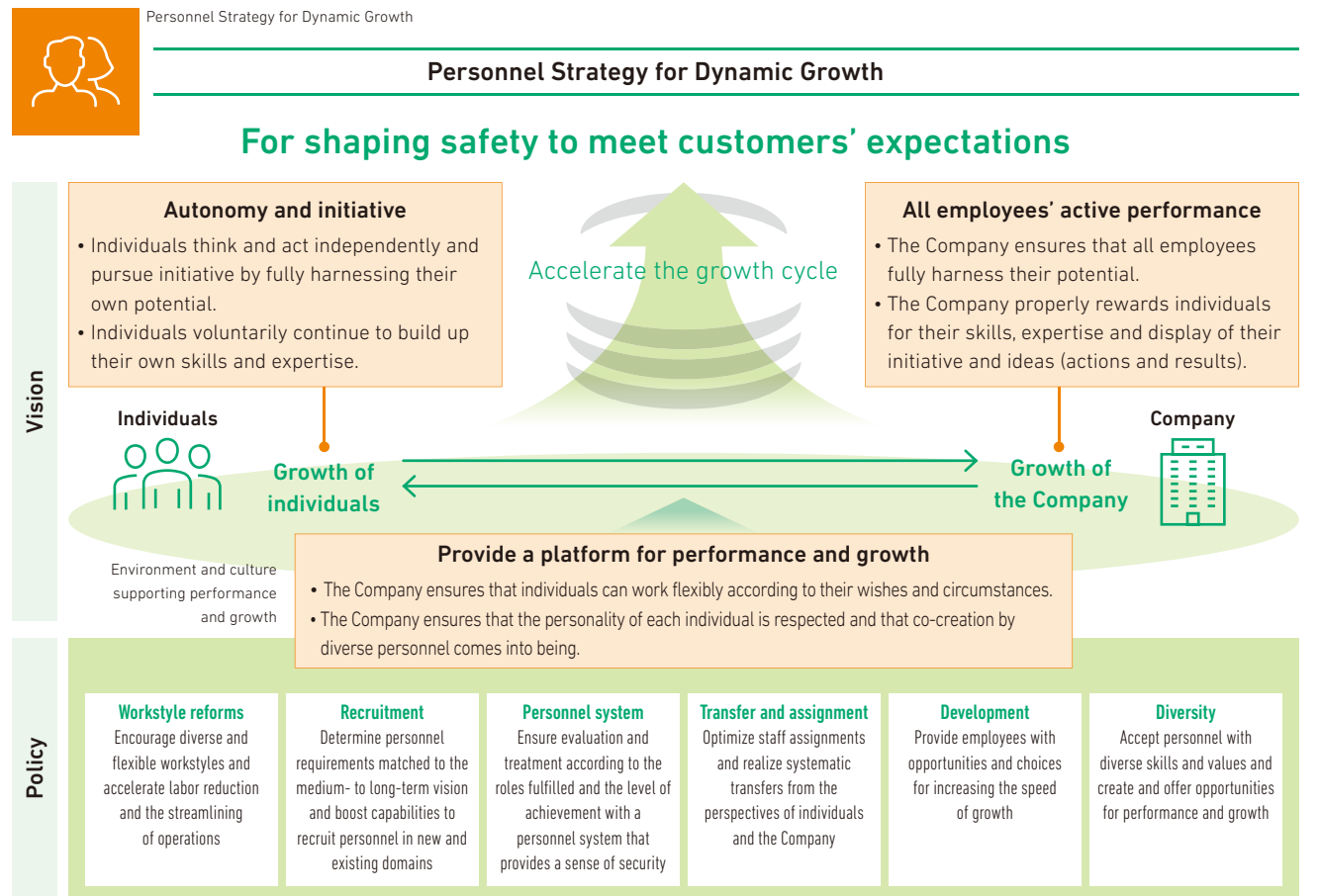
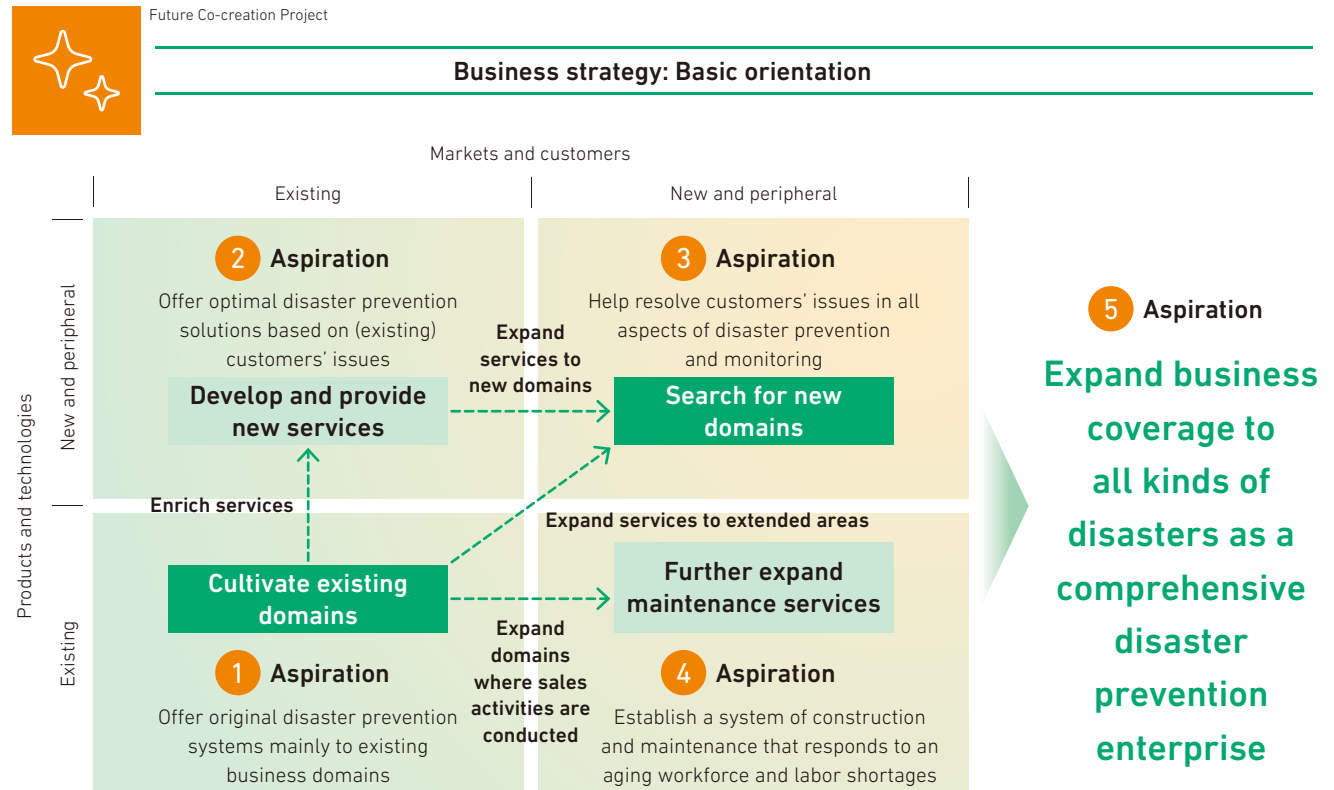
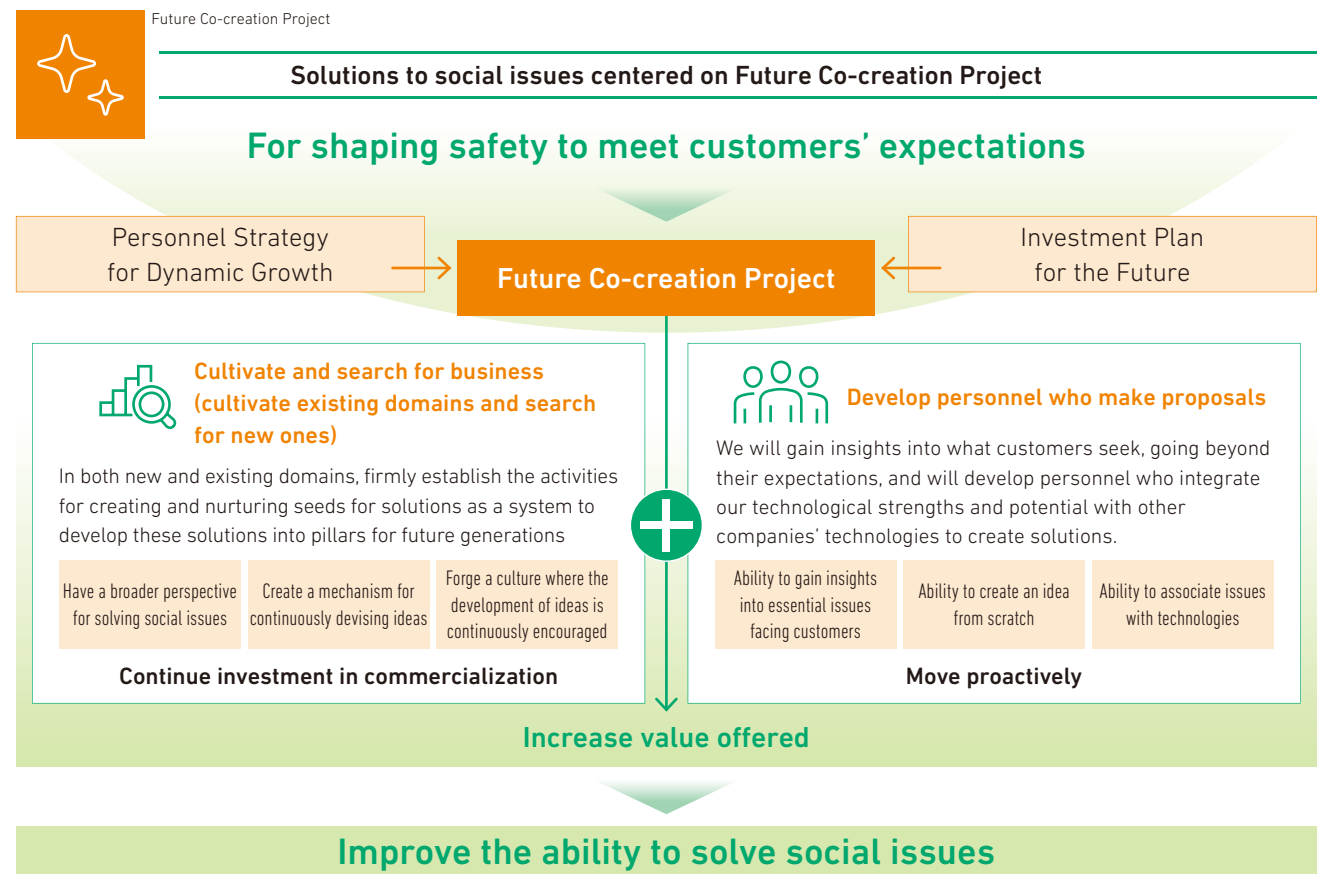
Every one of us will be aware of our mission as a pioneer in the disaster prevention business. We will sincerely listen to those who support the Nohmi Bosai Group and gain enhanced insights into **customers' expectations**. We will carry out activities with an inquisitive mindset to realize our targets.

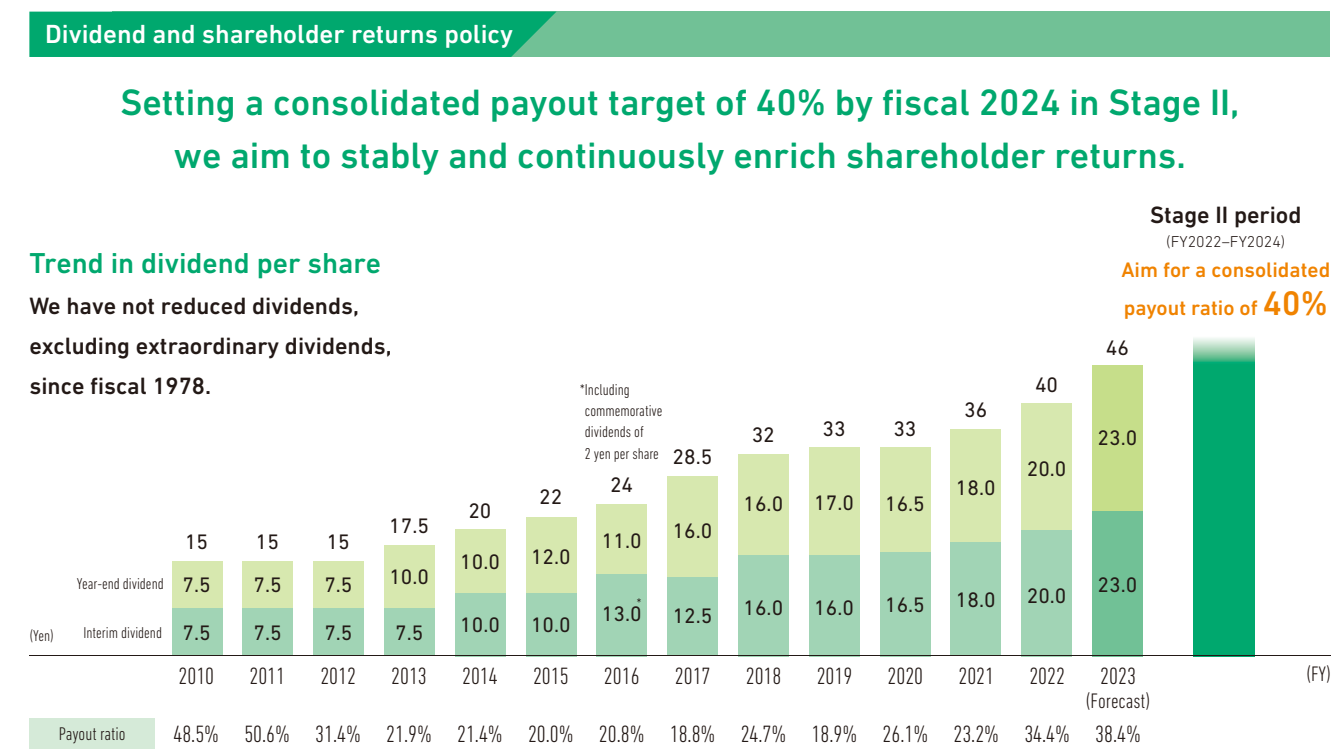
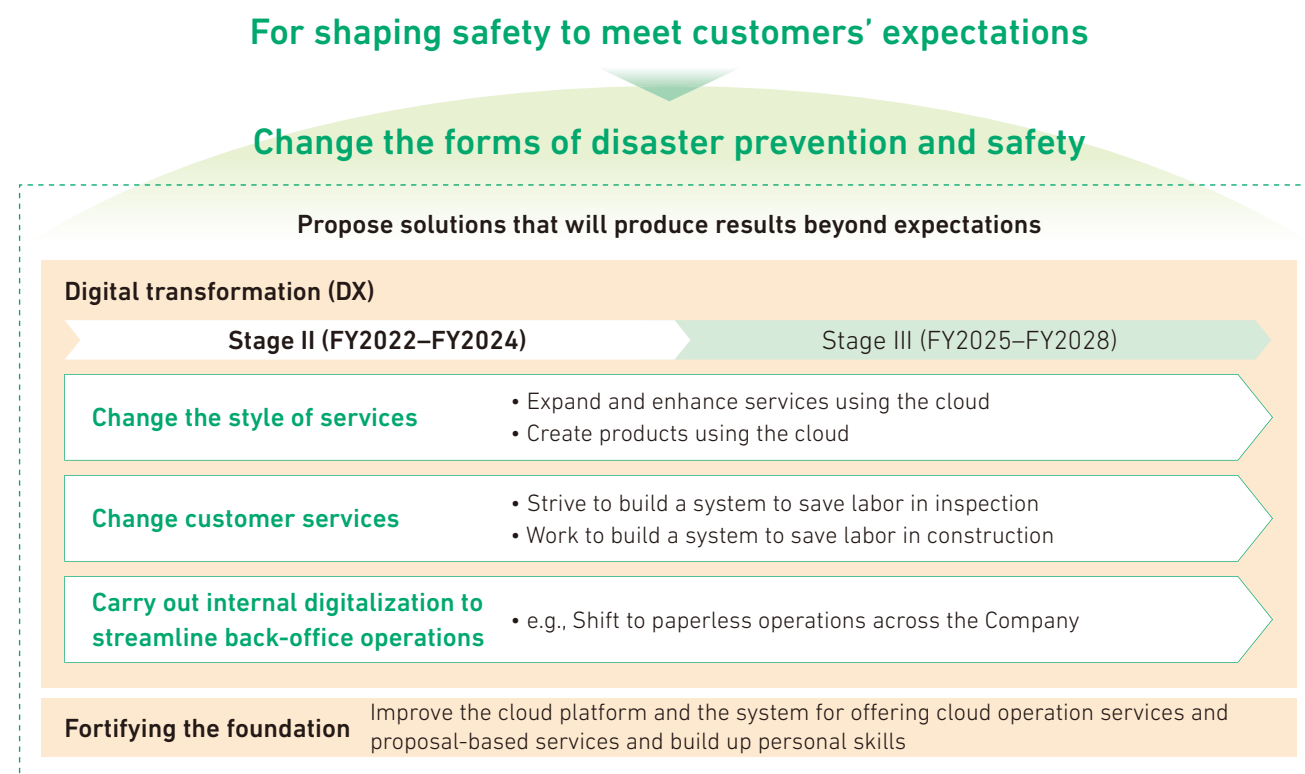
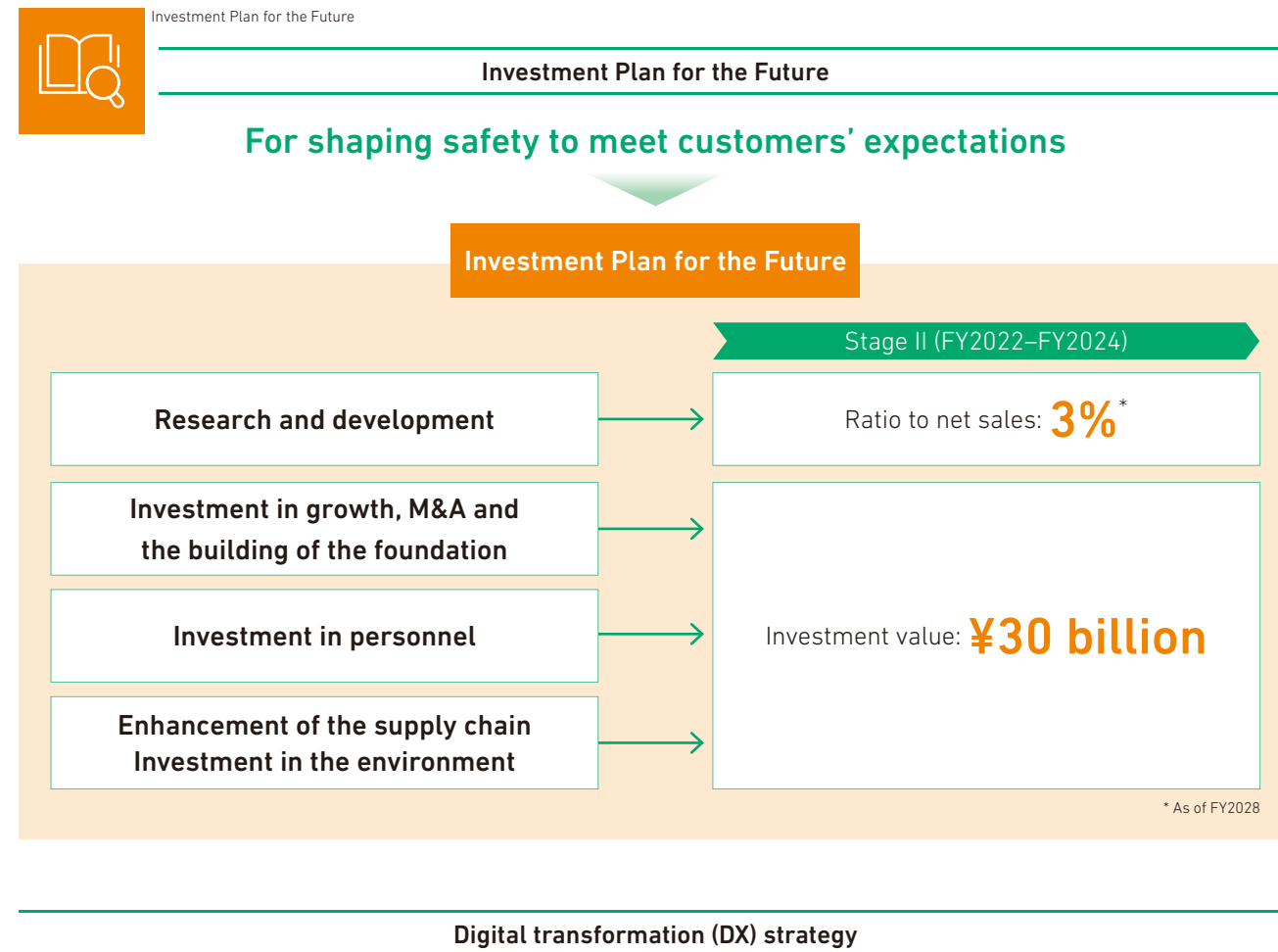
Nohmi Bosai's aspirations





Change into a company creating higher additional value





A Message from Officer in Charge of Finance



Even when the business landscape is uncertain and the path ahead is hard to discern, we will achieve stable profitability. We will take a robust approach to investment geared to the next stage of growth.

Yasuhiro Ono
Executive Officer

Investing and financing activities in fiscal 2022

We will pursue proactive investment to improve corporate value along with efforts to enrich return to shareholders.

Nohmi Bosai embarked on the Investment Plan for the Future in fiscal 2022, as a key measure of the Group's Medium- to Long-Term Vision 2028. Maintaining a stable financial footing is a priority, but we adopted a new investment stance to invigorate our approach to capital allocation aimed at improving corporate value. Under this plan, we will earmark ¥30 billion over three years through fiscal 2024, with funds directed toward M&As, rebuilding the foundation, investing in personnel, enhancing the supply chain and investing in the environment. Disclosure of a specific investment amount and pursuit of strategic investment like this is a first for Nohmi Bosai, but management takes its responsibility to stakeholders very seriously and is ready to tackle this investment agenda in earnest.

In fiscal 2022, we applied funds toward building a new, larger facility nearby Mitaka Factory and transferring operations to the newly constructed facility, where production got off to a smooth start in June 2022. We also

used funds for M&A purposes, bringing two companies—one in Oita Prefecture and the other in Hokkaido—under the Group umbrella. In other investing activities, we took a step-by-step approach to DX to create an IT infrastructure that includes an integrated information system currently under development. We also expanded investment in personnel, especially recruitment, to underpin efforts to fuel an improvement in business results and address overtime restrictions in the construction industry, effective from fiscal 2024. Paralleling the increase in new employees, we steadily enhanced training and other personnel programs.

Also, in conjunction with the start of Medium- to Long-Term Vision 2028, we took a wider view of our policy on return to shareholders. Our basic policy was to distribute a stable dividend over the long term, and dividends have, in principle, continued to chart upward under this policy. But we have reevaluated this position and will now target a consolidated payout ratio of 40%,

effective from fiscal 2024. We will raise the payout ratio incrementally to reach this level.

The dividend for fiscal 2022 was set at ¥40, up ¥4 from fiscal 2021, for a payout ratio of 34.4%, considerably higher than the 23.2% of a year ago. Also, our intention is to offer a dividend of ¥46 in fiscal 2023, up another ¥6. This reflects our commitment to enrich return to shareholders while continuing to carefully assess investment effect and focus on bringing investment projects, such as new businesses and M&As, to fruition, based on the Investment Plan for the Future.

These past few years have been fraught with events and situations of sizable magnitude, notably, the pandemic and political instability, that have exerted—and continue to exert—an obvious effect on the global economy. The business landscape remains foggy, with the path ahead hard to discern. But even in this kind of operating environment, Nohmi Bosai has been able to maintain a certain degree of

profitability. From a cash flow perspective, as well, we are generating stable inflow, and I regard this as an indication that we have gained strength as a company. Given our current financial status, management felt that Nohmi Bosai should actively channel capital into investments that would contribute to medium- to long-term improvement in corporate value and went on to formulate the Investment Plan for the Future.

That said, to contribute to the safety and security of society through the disaster prevention business, we must continue to stand on our own two feet, in a corporate sense, of course. Maintaining a stable financial position is indispensable to this effort, and going forward, we will take a flexible approach while ensuring a good overall balance of investments.

Key management indicators and capital efficiency

We would like you to support us from a medium- to long-term perspective in our reform to achieve high sales growth and enhanced profitability.

Our financial strategy prioritizes a sustained increase in sales and income over the medium to long term, and efforts to achieve this goal are basic to this strategy. From the perspective of improved capital efficiency, we will continue to take a flexible approach when considering the best format for well-balanced return to shareholders. Under Medium- to Long-Term Vision 2028, we have set lofty targets for consolidated net sales—¥133 billion in Stage II, ending March 31, 2025, and ¥170 billion or more in Stage III, ending March 31, 2029—along with an operating margin of at least 10% even amid robust investing activities. In addition, a recent request of shareholders is that management be particularly aware of capital costs and share price, so we will tap the price-to-book ratio and return-on-equity as management indicators and pay closer attention to changes.

To reach these targets, we will constantly strive to increase the market share of existing businesses while sharpening our competitive edge in the market through development of new products and services. We recognize that investments in intangible assets, such as R&D and

human capital, in line with the Investment Plan for the Future, are especially important for a more pervasive market presence. We implemented a salary increase as part of our investment in personnel, and as we enhance profitability, we will enhance return to employees.

Since its earliest days, Nohmi Bosai has engaged in business with a social responsibility—disaster prevention—and the Company and corporate group it leads will expand existing business centered on its forte field of disaster prevention, raise its contribution to society still further and demonstrate presence. As described in Medium- to Long-Term Vision 2028, we will achieve these goals by reinforcing our foundation to support existing business pursuits while embracing change to better provide new value to customers. The entire Nohmi Bosai Group will work as a cohesive unit to realize this. However, the process will take time, and the support of all stakeholders over the medium to long term will be integral to realizing our future ideal and stakeholder expectations.

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.

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

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.

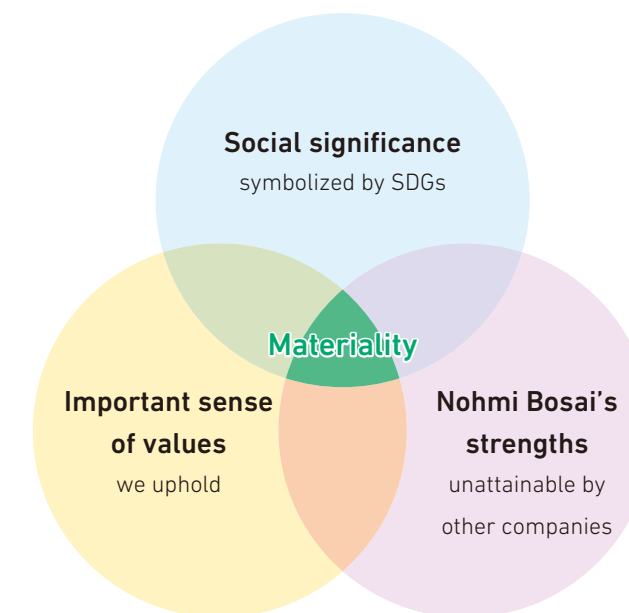
The working group then evaluated these 50 items from three angles—social significance, important sense of our values and Nohmi Bosai’s strengths—discussed the items that had the highest scores and eventually pared the list down to four items. After discussion with the management team, these four items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

Materiality identification process

Examine	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Organize and categorize
Evaluate	<ul style="list-style-type: none"> Evaluate candidate issues using three evaluation axes: social significance, important sense of our values and Nohmi Bosai’s strengths
Discussion	<ul style="list-style-type: none"> Focus on items with high scores and discuss from stakeholder and ESG (environmental, social, governance) perspectives to create short list
Discussion	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

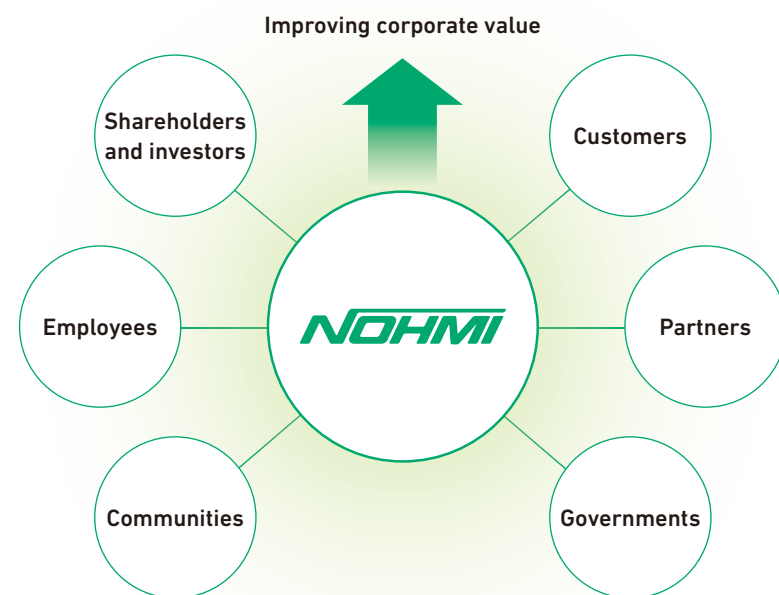
Four material issues

1	<p>Offer solutions for protecting life and property from all kinds of disasters</p> <p>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.</p>	 
2	<p>Promote human resources development and ensure diversity to value personal autonomy and initiative</p> <p>We will cultivate a corporate culture that fosters personal growth, promote diversity and inclusion, and create workplaces where employees feel their work is rewarding.</p>	 
3	<p>Embrace global environmental protection initiatives, starting by realizing carbon-neutral status</p> <p>We will work toward carbon-neutral status while contributing to a better environment through products, services and proactive responses to restrictions on chemical substances.</p>	  
4	<p>Adopt management practices appropriate to a company seeking to ensure safety and security</p> <p>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.</p>	

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.

Toward a society free from accidents involving fires

A century since the Great Kanto Earthquake—the starting point of our business
Our commitment, unchanged since then, focuses on realizing a society free from accidents involving fires

Nohmi Bosai has waged a war on fire for 100 years, from the Great Kanto Earthquake to the present, always seeking to realize a society free from accidents involving fires. During this time, society has been constantly changing, and progress has been accompanied by new risks that demand improvement in products and methods for protecting life and property from disaster. In every era, we have anticipated social and market needs, providing numerous domestic firsts in the disaster prevention business.

centers. Nohmi Bosai has applied its expertise and experience to respond to the wide-ranging fire protection requirements presented by all these structures. This is our strength.

The Great Kanto Earthquake marked the start of Nohmi Bosai's disaster prevention business. A century has since passed, but our commitment to rid society of the damage caused by destructive fires has always been and will continue to be our No.1 priority because we know that mitigating fire risk is a critical social issue. Our commitment, unchanged since we entered the disaster prevention business, continues to guide our corporate activities. We will strive to utilize advanced technology and accumulated know-how to realize a society free from accidents involving fires.

Fire risk varies with the type of building. The long list of structures that require products and systems to prevent fires includes skyscrapers, tunnels, industrial plants and factories, homes, social welfare facilities, cultural assets and data



Protecting national treasures and cultural assets from fire

Nohmi Bosai first to install automatic fire alarm system at Sanjusangen-do in Kyoto. Also installed system at Todaiji in Nara

Among Japan's cultural assets are structures such as Shinto shrines and Buddhist temples that have been recognized as UNESCO World Heritage Sites. Nohmi Bosai provides fire protection systems to prevent the loss of important national cultural assets by fire. In 1933, the first automatic fire alarm system for a national treasure was installed at Sanjusangen-do, a Buddhist temple in Kyoto. Nohmi Bosai did the installation. We provide automatic fire alarm systems, fire extinguishing systems and other firefighting equipment to protect cultural assets from loss by fire, enabling them to stand for future generations to appreciate.

ceremony—with a priest painting pupils on the eyes of the statue—formalizing its completion. The temple complex was built during the Tenpyo-hoji era (757–764) but was destroyed by fires in several civil wars. A monk named Kokei oversaw restoration of Todaiji in the Edo period (1603–1868). Today, Nohmi Bosai's fire protection systems are installed at this cultural site as well.



Great Buddha Hall at Todaiji

Provide opportunity to experience disaster prevention intuitively through game format

**Released game through Gokko Land
Contribute to better disaster prevention awareness among parents and children**

Nohmi Bosai's game "Mezase Bosai Master! (Be a Master in Disaster Prevention!)" is available through Gokko Land, a social experience app for kids developed and operated by KidsStar Inc. Gokko Land offers access to free content using the "let's pretend" concept much loved by children to promote interactive learning about the social mechanism.

Our game features two playing options: "Hinankunren

Challenge! (Escape Drill Challenge!)" and "Mezase Bosai Quiz Oh! (Be the Champion of Disaster Prevention Quizzes!)." The two playing options provide an enjoyable diversion for parents and children while highlighting points to remember when fleeing from a fire and fostering basic knowledge about being ready if a fire breaks out.

Through this game, children and their parents have an opportunity to intuitively experience disaster prevention that encourages a deeper awareness of disaster prevention.



Content top page



"Mezase Bosai Quiz Oh! (Be the Champion of Disaster Prevention Quizzes!)"

Virtual reality fire experience imagines a scary fire scenario

**"Since I don't feel a fire situation, I can't get into the drills"
In response to such comments, developed very realistic VR program**

In recent years, disasters in Japan have become more frequent, more severe and more extensive in scope. When disaster strikes, citizens cannot rely entirely on public agencies such as fire departments to rescue them. People must be able to save themselves (self-help) and then as a group assist each other (mutual aid).

Nohmi Bosai is providing "Panic in the Office," a VR fire experience, to help educate office workers on how to handle a real-life fire that causes pandemonium in the office. The

program accurately depicts the dangers and panic that typically characterize disaster scenarios and encourages the player to see such situations as a personal call to action and to engage proactively in fire prevention preparations. Every player becomes one of several people caught in an office building fire or a big earthquake, confronted with what seems like a real, unfolding, chaotic scene.

Devices rented out to facilitate use by companies and educational institutions to improve impact of disaster prevention training and drills

To date, Nohmi Bosai has contributed to society with technology that quickly detects the outbreak of fire, sounds an alarm and controls the spread of flames. Going forward, we will reinforce activities that lead to better training and drills to prepare for the possibility of fire or other disasters.

"Panic in the Office," a VR fire experience, was created as one approach to enhance training and drills. The equipment needed to experience this content has been put together as a kit available through XR+, an e-commerce site especially



Scene from fire experience VR program

for rentals. Many customers, particularly those engaged in disaster prevention and safety initiatives at companies and organizations, have already taken advantage of the rental plan.

Continuously supporting society-contributing organizations through XR+® rentals with donations

XR+®, an e-commerce site for VR kit rentals, provides continuous support by donating 1% of sales to society-contributing organizations working to enhance self-help and mutual-aid efforts.

Such activities will lead to a safer, more secure society that can withstand the threat of any kind of disaster, be it fire, which we have focused on for about 100 years, or the large-scale earthquakes that are occurring more frequently, thus underpinning the creation of a sustainable, resilient society.



Player in action

Stockle+—Social contribution through redistribution of stocks of emergency supplies

Test sales begin on new service balancing reduced financial burden with social contribution through donated stock of emergency supplies

Nohmi Bosai test-marketed a new service dubbed Stockle+, which facilitates social contribution by using stocks of emergency supplies no longer needed when a company replaces its inventory.

Stockle+ connects companies wanting to donate rather than throw away emergency supplies nearing their expiration date with food banks happy to accept these products. For companies, finding places to donate to on their own is a challenge, and delivery arrangements are a burden. Meanwhile, food banks do not have the available capacity to contact companies directly. Against this backdrop, Stockle+ effectively connects both sides and promotes the development of a sustainable, recycling society by redistributing still-usable emergency supplies.

Several test runs for Stockle+ confirmed a reduction in the administrative burden borne by both companies and food

banks and a donation can be made at the same cost as that for disposal. Nohmi Bosai will conduct another round of test sales, aiming to launch the service in April 2024.

Service that gives form to shaping customers' expectations is one outcome of Future Co-creation Project

Nohmi Bosai has highlighted the Future Co-creation Project as a priority measure under its medium- to long-term vision. Through this project, which was launched in fiscal 2022, we seek to provide new value that underpins solutions to social issues by generating ideas, nurturing business potential and ultimately bringing products and services to market. Stockle+ is one such service derived through Future Co-creation Project efforts.

As always, our efforts are geared toward realizing a sustainable society with new products and services that give form to shaping customers' expectations. Stockle+ epitomizes this enduring pursuit.



Features of Stockle+

1. Facilitates social contribution by redistributing emergency supplies otherwise wasted (SDG response)
2. Can reduce administrative burden for companies and food banks when supplies are restocked
3. Can donate to food banks and other organizations at the same cost as that for disposal

Key Stockle+ services

The key services under Stockle+ are management, purchasing and disposal. Stockle+ is a one-stop service related to emergency supply restocking that goes beyond connecting companies and the donation targets. The service also monitors expiration dates on items, sends notices to the companies and offers suggestions on purchasing that facilitate donating instead of disposing at appropriate times.

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

The time is coming when a shortage of workers, due to the continued graying of society and the decreased workforce, 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 that respects personal autonomy and initiative while drawing on the diversification of human resources to create new added value and expand business activities.

Direction on human resources development and ensuring diversity

Nohmi Bosai defined the image that the Group should portray by fiscal 2028 and formulated measures to achieve this objective under the catchphrase “Medium- to Long-Term Vision 2028—Shaping the Customers’ Expectations—.” A pillar of this process is the Personnel Strategy for Dynamic Growth. This strategy will support realization of our medium- to long-term vision as we deploy measures accelerating the growth cycle of individuals and the Company. Toward this end, we must establish a corporate culture that respects the individuality of all employees and presents opportunities for human resources with diverse capabilities and values to thrive and grow.

This kind of corporate culture requires improvement of the corporate platform. We are thus taking steps to give female employees more opportunities for assignments and roles of responsibility on a promotion track toward a senior-level position (equivalent to a manager) and are also actively recruiting foreign nationals and mid-career professionals with a high level of expertise. We will work continuously on such initiatives and strive to further enhance awareness by providing all employees, including those in management positions, opportunities to learn about the necessity and importance of diversity.

Initiatives that underpin diversity

As of April 2019, there were four female employees in senior-level positions (equivalent to a manager). By March 2023, that number had grown to 11. Our target for April 2025 is 15, rising to 40 by April 2030.

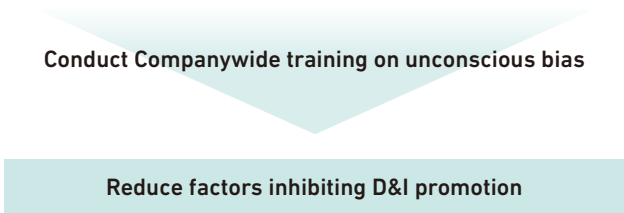
We will also continue to hire mid-career professionals, especially for jobs requiring high-level expertise, such as R&D and installation activities. We aim to promote more mid-career professionals to senior-level positions and will conduct regular training to foster the required skills.

We will hire foreign nationals, irrespective of nationality, in our pursuit to recruit people with excellent qualifications, with promotion to senior-level positions on the table.

Robust engagement, including Committee for Promoting Active Participation of Women in the Workplace

Nohmi Bosai established the Committee for Promoting Active Participation of Women in the Workplace and promotes robust engagement in its initiatives. Activities unfold throughout the organization with subcommittees established under the core committee that consider measures in line with respective themes assigned to each subcommittee.

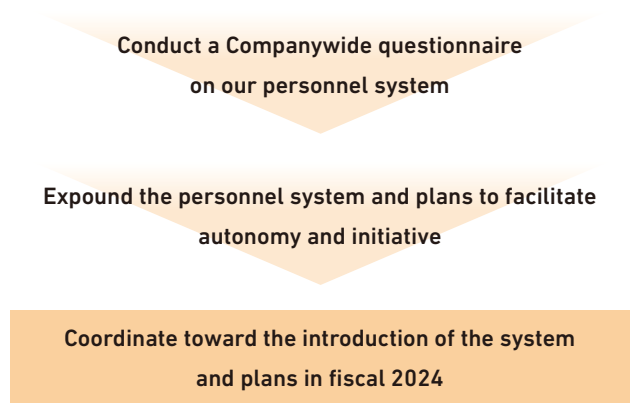
Also, in fiscal 2022, we implemented Companywide training on unconscious bias to promote a deeper understanding of diversity and inclusion (D&I). Going forward, we will vigorously promote D&I, highlighted by wider involvement of women in the workplace but certainly not limited to this theme.



Encouraging 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. In fiscal 2022, we invited input from employees, including comments gathered through a Companywide questionnaire, about our personnel system and devised a better-defined system and programs to encourage employees to embrace autonomy and initiative.



Perspective on workstyles

Rethinking workstyles is a social issue. Nohmi Bosai too has considered workstyle reform, establishing the Workstyle Reform Promotion Committee. The president plays a central role on the committee, which is tasked with considering and adopting improvements to optimize working hours by using time for business activities efficiently. We are rethinking workstyles with a full-scale review of ways to accomplish tasks, including processes to distribute them more evenly or draw on skill diversification—people with multifunction capabilities whose flexibility levels out workload—as well as outsourcing and effective use of information and communication technologies.

Promote health and productivity management

Nohmi Bosai’s operations are guided by the company creed to contribute to the safety of society through the disaster prevention business. Our ability to live up to this creed is sustained by every employee working for the Company.

A workplace environment where employees are healthy in mind and body and view work enthusiastically translates into corporate growth and employee happiness and, inevitably, leads to a better society.

Toward this end, we promote health and productivity management from an integrated company-employee perspective. Our efforts were recognized again in fiscal 2022 with certification by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi in the large-enterprise category of a program that recognizes outstanding organizations in health and productivity management. This marked the fourth consecutive year that Nohmi Bosai was awarded in this category.



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 has many in-house programs for this purpose and has also implemented rules that exceed requirements mandated by law.

System for limited working hours

We established a program of daily scheduled working hours between four and seven hours, in 30-minute blocks, to enable employees to work around family obligations. Employees meeting the following criteria can take advantage of this program.

- With children younger than 10 years of age
- With family members requiring nursing care

Annual paid leave, expired vacation days, life-support days off
Nohmi Bosai allows employees to carry over up to 80 days of annual paid leave, and up to 40 days of the expired portion in excess of 80 days can be held as expired vacation days separate from annual paid leave. These expired vacation days can be used when employees need to take days off to care for elderly family members.

We also give employees 20 days to use for the following routine daily life occasions.

- When recuperating from injury or undergoing medical treatment
- When caring for a sick family member or providing nursing care

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

Nohmi Bosai established an environmental doctrine within its management principle as well as a basic environmental policy to underpin environment-oriented initiatives in corporate activities. Protecting the environment is a Companywide effort. The Mitaka Factory and the Menuuma Factory—our production sites—built a common environmental management system (EMS), underwent screening and registration for ISO 14001 in August 2001 and continue to engage in EMS 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

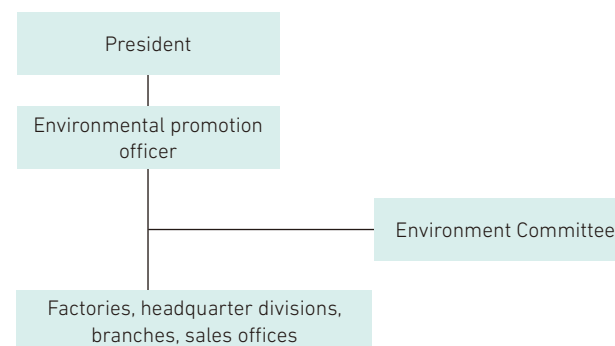
Nohmi Bosai will supply products and services oriented toward the environment.

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

Obtaining ISO 14001 certification

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



ISO 14001 certificate authentication

Initiatives to reduce greenhouse gases

Nohmi Bosai seeks to achieve carbon-neutral status and engages in initiatives to reduce CO₂ 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.

Concrete activities

Promoting wider use of electric vehicles

Nohmi Bosai backs the current shift toward electric vehicles* for business use, is reducing gasoline consumption and cutting greenhouse gas emissions.

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

Converting to renewable electricity

We are eager to procure renewable electricity, that is, electricity derived from renewable energy. A considerable amount of the CO₂ we release, either directly or indirectly, comes from consumption of electricity, but through efforts to procure renewable electricity, we have reduced the percentage.

Carbon-neutral targets

Long-term reduction target: Zero greenhouse gas emissions by 2045 (Scope 1, 2*)

Medium-term reduction target: 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

Contributing to Green Fund

The National Land Afforestation Promotion Organization raises funds every year for its Green Fund. Nohmi Bosai has contributed to this initiative since 2018, and in fiscal 2019, we received a letter of appreciation from the Director-General of the Forestry Agency.



DRYMIST—Response to extreme heat caused by global warming

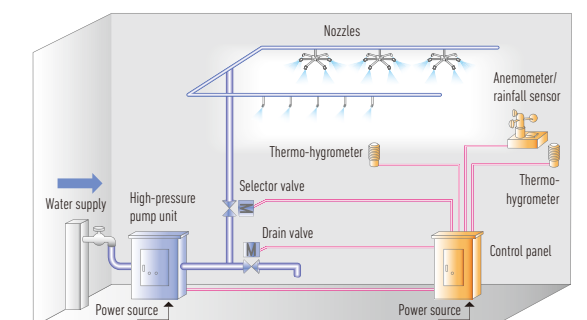
Creates cooler, more pleasant environment in cities with increasing days of extreme heat amid more frequent appearance of heat island effect

DRYMIST was jointly developed by a consortium of industry and academic participants to mitigate global warming and ease the heat island effect. The system was installed outdoors at Expo 2005 Aichi Japan with expectations of decreasing the air temperature 2–3°C around the misting zone, creating a cool and pleasant space amid the summer heat.

The mist of extremely fine particles of water demonstrates excellent transpiration. People walking under the system barely notice any wetness even if the mist lands on their skin. The system operates automatically, adjusting to temperature, humidity, wind and other weather conditions, and is designed to keep consumption of electricity and water

to the absolute minimum. Because DRYMIST connects directly to the public water supply and water flows through stainless steel pipes to the misting nozzles, the system is also completely hygienic.

DRYMIST from Nohmi Bosai



Management Structure

(As of June 30, 2023)



Directors

A 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)

B Tatsunori Ito
Vice Chairman and Director

November 1975 Joined the Company
June 2008 Director, the Company
June 2015 Managing Director, the Company
June 2017 President and Representative Director, the Company
June 2021 Vice Chairman and Director, the Company (current position)
June 2021 Responsible for CSR Promotion Department and Quality Control Department, the Company (current position)

C 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)

D 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 2023 Vice Executive Manager of Sales Management Headquarters, Executive Manager of Engineering & Construction Division, Responsible for Fire Extinguishing System Division and Chubu Area, the Company (current position)

E Yasuo Ariga
Director and Managing Executive Officer

April 1981 Joined the Company
June 2012 Director, the Company
June 2020 Executive Officer, the Company
June 2021 Managing Executive Officer, the Company
June 2021 Executive Manager of Technical Division, Responsible for Information Systems Department, the Company (current position)
June 2022 Director and Managing Executive Officer, the Company (current position)

F 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.

G 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)

H Ichiro Ishii
Director (Outside Director)

April 1978 Joined Tokio Marine & Fire Insurance Co., Ltd. (now Tokio Marine & Nichido Fire Insurance Co., Ltd.)
June 2010 Executive Officer, Tokio Marine Holdings, Inc.
June 2013 Managing Executive Officer, Tokio Marine Holdings, Inc.
June 2015 Senior Managing Director, Tokio Marine Holdings, Inc.
April 2017 Vice President Director, Tokio Marine Holdings, Inc.
October 2018 Full-time Advisor, Tokio Marine Holdings, Inc.
April 2020 Advisor, Deloitte Tohmatsu LLC (current position)
June 2020 Outside Director, NS Solutions Corporation (current position)
June 2020 Outside Director, the Company (current position)
April 2021 Outside Director, Terra Motors Corporation (current position)
July 2021 Representative Director, troish Co., Ltd. (current position)

I 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

Audit & Supervisory Board Members

J Hiroshi Kondo
Full-time Audit & Supervisory Board Member

April 1982 Joined the Company
March 2013 General Manager of General Affairs Department, the Company
June 2016 Full-time Audit & Supervisory Board Member, the Company (current position)

K Hiroyuki Fujii
Full-time Audit & Supervisory Board 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 (current position)

L Yasuhiro Takahashi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

May 1980 Joined Fuji Denki Reiki Co., Ltd. (now FUJI ELECTRIC CO., LTD.)
April 2010 Executive Officer, Fuji Electric Retail Systems Co., Ltd. (now FUJI ELECTRIC CO., LTD.)
April 2016 Executive Officer, FUJI ELECTRIC CO., LTD.
April 2020 Managing Executive Officer, FUJI ELECTRIC CO., LTD.
April 2021 Special Adviser, FUJI ELECTRIC CO., LTD. (current position)
June 2021 Outside Director, TOTOKU ELECTRIC CO., LTD. (now TOTOKU INC.)
June 2021 Outside Audit & Supervisory Board Member, the Company (current position)

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

M Akiko Nagahama
Audit & Supervisory Board Member (Outside Audit & Supervisory Board 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 (current position)

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

N Masahito Fukuda
Audit & Supervisory Board Member (Outside Audit & Supervisory Board 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 (current position)
June 2023 Outside Audit & Supervisory Board Member, Mitsui Sumitomo Aioi Life Insurance Company, Limited (current position)

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

Interview with Outside Directors



Ichiro Ishii
Outside Director

Shin Shiotani
Outside Director

Keiko Hirano
Outside Director

Carry on desire that kindled establishment and embrace challenges with sense of speed

Shiotani: I was appointed as an outside director in 2015, and the impression I got then and still have today is that Nohmi Bosai is a company with extremely solid management capabilities. Its technological capabilities are also extremely high. These are noteworthy characteristics.

Ishii: The founder felt it was his mission in life to do what he could to prevent disasters, particularly fires, and that sense of duty—that corporate DNA—still infuses the organization and inspires employees today. This deeply entrenched commitment has created a solid foundation for the Company. Undoubtedly, the seriously dedicated approach of management and the strong technology development and marketing capabilities that I see in today's Nohmi Bosai are qualities entrenched in a corporate culture that values tradition.

Hirano: In the last 10 years especially, the world has seen more large-scale disasters, and Nohmi Bosai specializing in disaster prevention will have to distinguish itself more in the market and gain more of a competitive advantage. The Company should continue to tie business activities into the idea of working for the public good, which epitomizes corporate respect for tradition, while exploring new business territory.

Ishii: Providers of fire protection and disaster prevention products and services must also deal with a legal and regulatory framework, and I believe Nohmi Bosai has acted

appropriately and expanded its business activities by exploring stated requirements and offering the right solutions to keep people and property safe from fire. The issue for Nohmi Bosai going forward will be, given the growth it has achieved, to demonstrate innovation and vitality. One year has passed since the start of Medium- to Long-Term Vision 2028, but I look forward to the Company embracing challenges in line with this vision and advancing toward targets with a sense of speed. The year 2028 may seem way off in the future, but analyzing issues in detail, collecting information to incorporate into actions, trying out strategies and then modifying and taking concepts in a better direction—all that will limit the time remaining to actually reach goals. Management must build momentum to push its vision agenda ahead.

Shiotani: Going forward, management must make bold decisions while maintaining a conservative perspective. For example, taking a more enterprising approach to investment that underpins technology development is good, and I have conveyed this to the Board of Directors. Regarding M&A targets, I think management should look beyond sectors related to current business activities and consider enclave-like sectors. Even if the effort fails, venturing into new territory provides valuable experience to draw from in the future.

Timing for review of ideal human resources composition to support business

Shiotani: In discussions about Medium- to Long-Term Vision 2028, a workforce shortage and concerns about efficiency were raised as pressing issues. But other companies are also saddled with these issues and are putting measures into place, so if Nohmi Bosai does not take drastic measures to reinforce human resources, the Company will fall behind, and that is an issue at the heart of management.

Ishii: Competition in career recruiting is heating up in every business category, including IT. There is also a gap between the human resources that Nohmi Bosai seeks to attract and the individuals who apply for a job. Among employees, particularly young employees and career-oriented female employees, many would relish the opportunity to challenge themselves, so it is important for the Company to empower these employees. That said, it is also important to attract new human resources to help cross over into new business territory. Management should consider a review of the personnel system, including employee treatment.

Hirano: Developing the skills of young employees is, of course, a priority, but Nohmi Bosai could draw on the skills of retired employees who built their careers at the Company and create a program to maximize these true human resources, and this would present many benefits given the graying of society in Japan. In addition, to encourage women to play a more active role in corporate activities, Nohmi Bosai set up a project team that has since developed into

a promotion committee. A campaign of activities is being implemented but initiatives are still at a nascent stage. Management's position—to wait until training and development foster greater interest and ability among female employees—signifies a sound corporate culture. However, for women to take on greater responsibilities within the Company, if they face barriers or are reluctant to explore new career opportunities, I feel it might be necessary to take a bolder approach to promotions.

Ishii: Ms. Hirano and I had the opportunity to speak with members of the committee for active participation by women in corporate activities. We were met with a barrage of questions and the members' eyes sparkled with excitement and motivation. I think Nohmi Bosai has to take a more vigorous approach to programs like this.

Hirano: Impressive among promotion activities was the opportunity made for the chairman and the president to speak directly to on-site employees. If management, including we outside directors, have more chances to connect with employees and hear how they want to play a more active role, the interaction is sure to help management guide the Company forward. Teamwork is one of Nohmi Bosai's strengths, and I look forward to more employees, particularly female employees, taking greater initiative and leading teams.

Expectations for Nohmi Bosai to achieve significant progress

Shiotani: Prior to announcement of the Corporate Governance Code, a board of directors was ostensibly seen as a formality—a structure for form's sake—not just by Nohmi Bosai but by many companies, I think. A turning point came in 2015 with corporate governance reform, which encouraged animated discussion by the Board of Directors. This is a commendable development.

Ishii: When complicated topics are on the meeting agenda, management has a pre-meeting briefing that sets the stage for a full and proper discussion. Changes in the external environment, namely, establishment of and subsequent revisions to the Corporate Governance Code, might have been the catalyst, but Nohmi Bosai has definitely made steady progress in its approach to corporate dialogue. That said, I feel there is a need for improvement with regard to risk management in a broader sense that encompasses internal controls. Points for improvement have come from different directions, including us outside directors. The level of required response is high, but with cooperation from all directors, I think we can achieve steady progress.

Hirano: The Board of Directors is quite receptive to the

opinions we outside directors share, and I sense a corporate strength to respond to social trends, including heightened appreciation of the SDGs. Disaster prevention could be considered an SDG in and of itself. It is a field deeply connected to various goals, and going forward, I hope Nohmi Bosai demonstrates its strength of specialization even more.

Shiotani: It's also important for Nohmi Bosai to actively appeal to people outside the Company and showcase its specialization, technological capabilities and other strengths. Because of the sound corporate culture, the Company has not done much publicity so far, but highlighting Nohmi Bosai's competitive edge over other companies through a public relations program would go beyond communication with shareholders and investors and ultimately have a positive effect on recruitment as well.

Ishii: Nohmi Bosai is an indispensable company and there are many things that the Company can still achieve. I hope that the Company will demonstrate even greater capabilities, drawing on latent strengths as well, to become an even better company.

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

We are a company with an Audit & Supervisory Board. 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 nine directors, three of whom are outside directors. As a matter of policy, at least one-third of the directors are independent outside directors in order 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

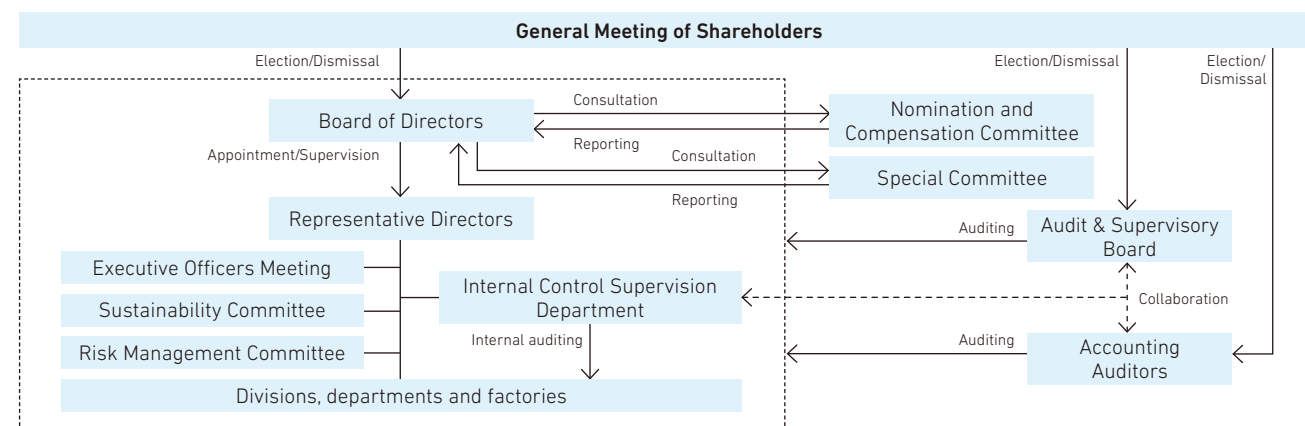
of Directors and an Audit & Supervisory Board, is highly effective. Our Board of Directors is composed of directors who are well versed in the Company's business and business segments and independent outside directors with wide-ranging knowledge and experience. The board makes management decisions and supervises operations. Our Audit & Supervisory Board members perform auditing fairly and independently.

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 below.

Corporate governance structure



Nomination of candidates for director and Audit & Supervisory Board member

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. As a result, persons well versed in the Company's business and business segments who possess exceptional knowledge, experience and abilities are impartially nominated for executive director. In addition, at least one-third of the nominations for director are independent outside directors in order to assemble a diversity of knowledge and to strengthen the board's oversight functions.

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.

The knowledge, experience and abilities necessary for auditing are taken into consideration to make comprehensive decisions about the nomination of candidates for Audit & Supervisory Board member.

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.

Skill matrix for directors and Audit & Supervisory Board members

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	●	●	●	●	●			●
Tatsunori Ito Director	●	●	●		●			●
Takeshi Okamura Director	●	●		●	●	●	●	●
Masahiro Hasegawa Director	●	●	●					●
Yasuo Ariga Director	●	●	●					●
Takehiko Senda Director	●	●		●			●	
Shin Shiotani Outside Director (Independent)	●	●		●	●			
Ichiro Ishii Outside Director (Independent)	●	●			●		●	
Keiko Hirano Outside Director (Independent)	●					●		●
Hiroshi Kondo Audit & Supervisory Board Member				●		●	●	●
Hiroyuki Fujii Audit & Supervisory Board Member			●	●	●			●
Yasuhiro Takahashi Outside Audit & Supervisory Board Member (Independent)	●	●	●					
Akiko Nagahama Outside Audit & Supervisory Board Member (Independent)					●	●		
Masahito Fukuda Outside Audit & Supervisory Board Member (Independent)	●	●			●	●		

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

Audits by Audit & Supervisory Board members and internal audits

The Audit & Supervisory Board is composed of two full-time Audit & Supervisory Board members and three outside Audit & Supervisory Board members.

The full-time Audit & Supervisory Board members attend meetings of the Board of Directors, Executive Officers Meetings and other important meetings. They examine Group companies, monitor the independence of the accounting auditors and receive reports and explanations from the accounting auditors. Meetings of the Audit & Supervisory Board 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 Board members, outside Audit & Supervisory Board 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 Board 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 Board, 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 Board 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 2022

Name	No. of meetings held	No. of meetings attended
Yoshihisa Asakura	10	10
Hiroshi Kondo	10	6
Kazuo Kondo	10	9
Yasuhiro Takahashi	10	8
Akiko Nagahama*	7	7

* Since Outside Audit & Supervisory Board member Akiko Nagahama was newly appointed at the 78th Annual General Meeting of Shareholders, held on June 28, 2022, the number of meetings refers to meetings conducted since her 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.

Three of the committee's seven members are independent outside directors and one is an independent outside Audit & Supervisory Board member. Over half of the committee's members are thus independent outside officers. 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 2022

Name	No. of meetings held	No. of meetings attended
Shin Shiotani	2	2
Takeshi Hashizume	2	2
Takeshi Okamura	2	2
Tatsuya Izumida	2	1
Ichiro Ishii	2	2
Keiko Hirano	2	1
Kazuo Kondo	2	2

Relationship to the parent company

The Company must cultivate a close and collaborative relationship with its parent company, SECOM Co., Ltd. To foster this relationship and to share management information, one of

the Company's directors is from SECOM Co., Ltd. However, since the Company's Board of Directors is composed of nine directors, it is capable of making independent management

decisions. Furthermore, to ensure even more management decision-making independence, the Company has appointed three outside directors and three outside Audit & Supervisory Board members who are independent from SECOM Co., Ltd.

To further protect the interests of minority shareholders, the Company has established a Special Committee to deliberate and examine important transactions and actions for which there might be a conflict of interest between the parent company and minority shareholders. The Special Committee is

composed of three independent outside directors who are independent from the parent company.

Attendance at Special Committee meetings in fiscal 2022

Name	No. of meetings held	No. of meetings attended
Ichiro Ishii	3	3
Shin Shiotani	3	3
Keiko Hirano	3	2

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, and is a member of the Special Committee, which deliberates and examines important transactions and actions for which there might be a conflict of interest between the parent company and minority shareholders. He supervises the Company's management from an independent, objective and neutral standpoint.	12
	Ichiro Ishii	Mr. Ichiro Ishii uses his extensive knowledge and international experience accumulated as a manager of a publicly listed company and makes appropriate and needed comments. He is a member of the Nomination and Compensation Committee, which deliberates important matters related to the nomination and compensation of directors, and is the chair of the Special Committee, which deliberates and examines important transactions and actions for which there might be a conflict of interest between the parent company and minority shareholders. He supervises the Company's management from an independent, objective and neutral standpoint.	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, and a member of the Special Committee, which deliberates and examines important transactions and actions for which there might be a conflict of interest between the parent company and minority shareholders. She supervises the Company's management from an independent, objective and neutral standpoint.	12
Outside Audit & Supervisory Board Members	Kazuo Kondo*2	Mr. Kazuo Kondo used his extensive knowledge and 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, and he contributed to discussions from an independent, objective and neutral standpoint.	11
	Yasuhiro Takahashi	Mr. Yasuhiro Takahashi uses his extensive knowledge and experience accumulated as an executive officer of a publicly listed company and makes appropriate and needed comments.	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.	9 ³

*1 Figures for attendance at Board of Directors meetings are for fiscal 2022.

*2 Outside Audit & Supervisory Board member Kazuo Kondo resigned from his position upon completing his term of office at the end of the 79th Annual General Meeting of Shareholders, held on June 27, 2023.

*3 Since outside Audit & Supervisory Board member Akiko Nagahama was newly appointed at the 78th Annual General Meeting of Shareholders, held on June 28, 2022, the number of meetings refers to meetings conducted since her appointment.

Compensation for directors and Audit & Supervisory Board members

The Company's basic policy on compensation for directors 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 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.

Compensation for Audit & Supervisory Board members consists solely of basic compensation in the form of fixed compensation due to the roles of Audit & Supervisory Board members and their independent nature.

Compensation for directors and Audit & Supervisory Board members (fiscal 2022)

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)	252	200	40	11	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	53	53	—	—	2
Outside directors	24	24	—	—	3
Outside Audit & Supervisory Board members	24	24	—	—	4
Total	355	303	40	11	16

*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 2022, group 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 had improved. Specifically, the structure of the Board of Directors was

deemed generally appropriate. Regarding operations, the board has engaged in lively discussions as it has made annual operational improvements, and appropriate opportunities have been provided to adequately share information with outside officers.

However, it was determined that a greater percentage of time should be allotted to discussions that take long-term perspectives and that the items included in reports should be further expanded to improve the board's supervisory functions. 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

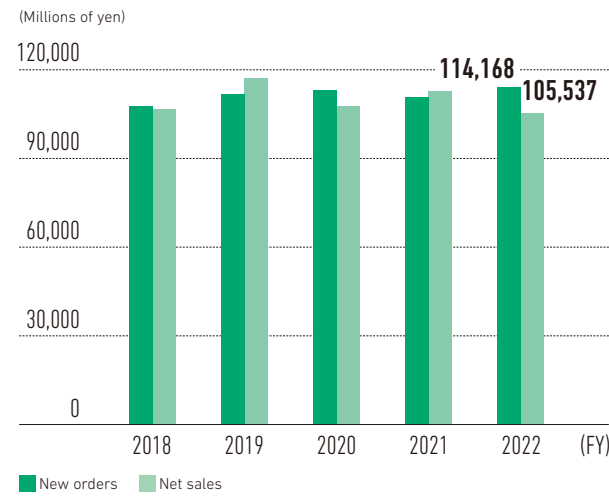
Every year, the Board of Directors verifies the economic rationality and reasonableness of each of the strategic holdings in terms of the appropriateness of the objectives of cross-holdings from a medium- to long-term perspective and the business relationship with the company involved.

Number of companies in which the Company has strategic holdings and balance sheet amounts (as of March 31, 2023)

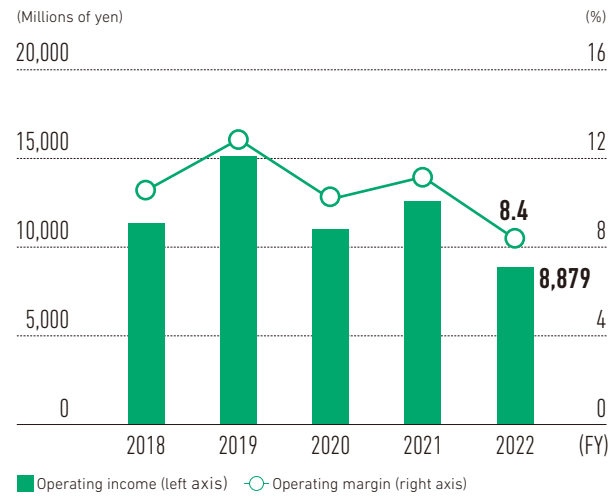
	No. of companies	Total balance sheet amount (Millions of yen)
Shares of non-listed companies	19	356
Shares other than shares of non-listed companies	39	2,955

Financial/Non-Financial Highlights

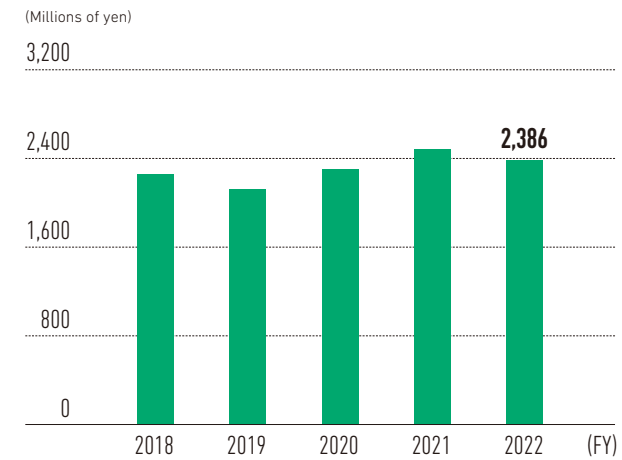
New orders/net sales



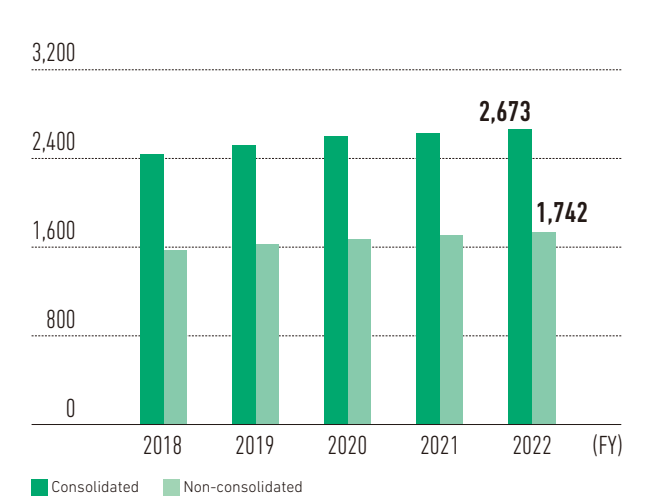
Operating income/operating margin



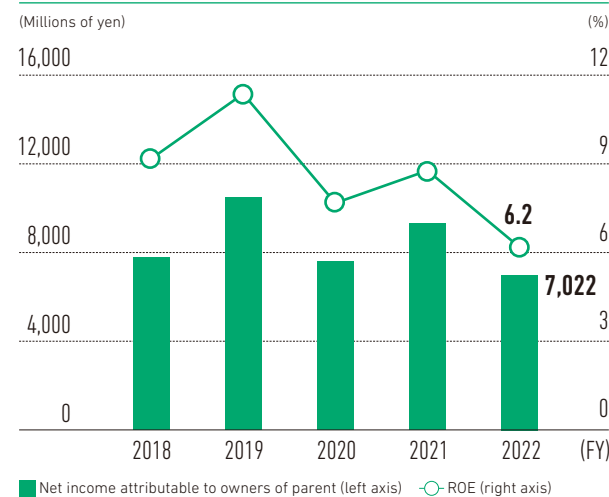
R&D expenses



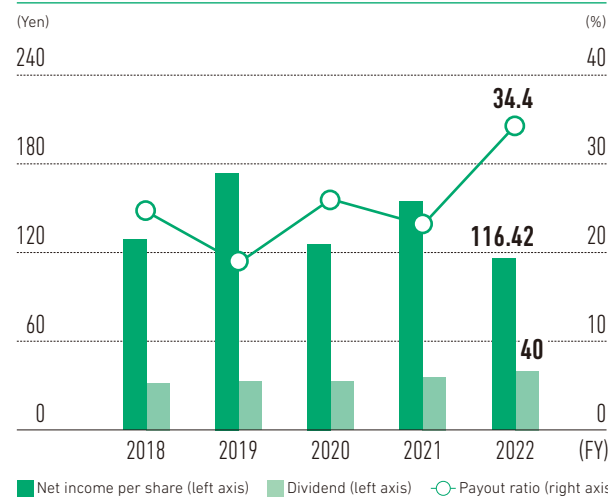
Number of employees



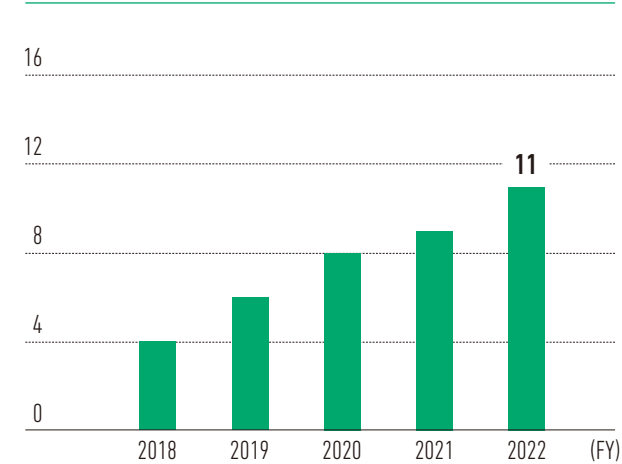
Net income attributable to owners of parent/ROE



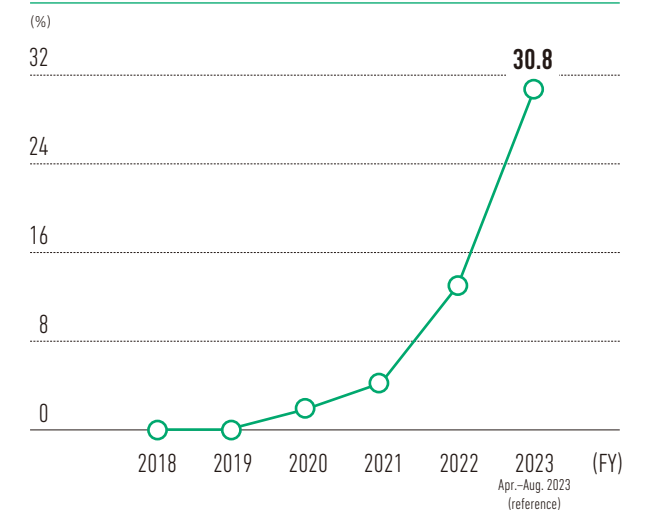
Net income per share/dividend/payout ratio



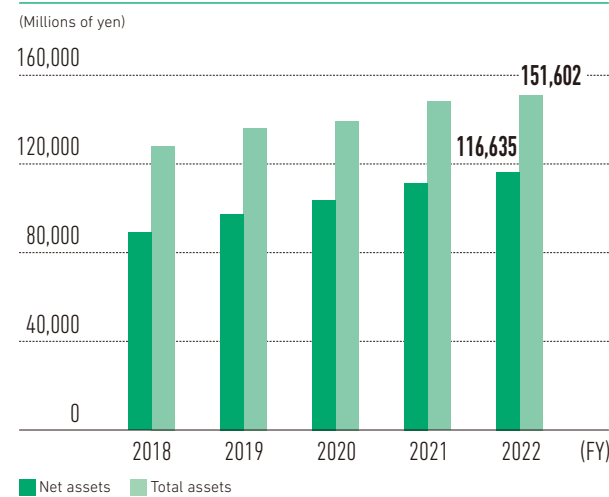
Number of women in management positions (non-consolidated)



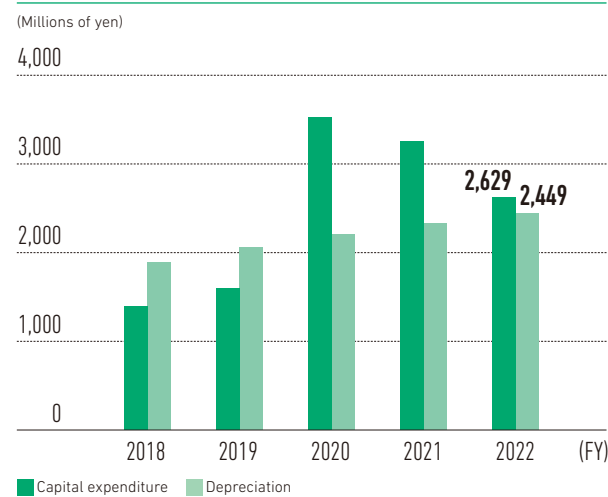
Childcare-leave usage rate by male employees (non-consolidated)



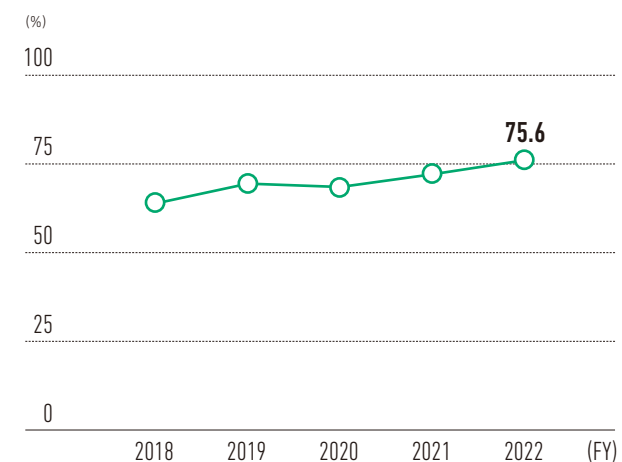
Net assets/total assets



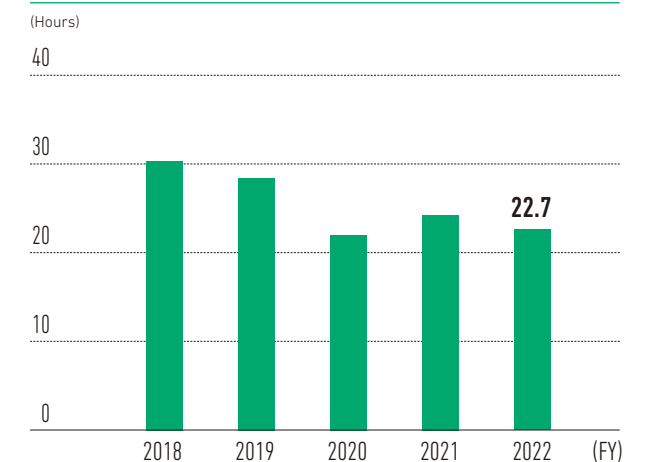
Capital expenditure/depreciation



Annual paid-leave usage rate (non-consolidated)



Average monthly overtime hours per employee (non-consolidated)



Company Profile

(as of March 31, 2023)

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: Firefighting facilities work, piping work, telecommunications work, machinery installation
Employees (consolidated)	2,673

Group companies (as of September 30, 2023)

- 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.
- 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, 2023)

Status of shares

Number of authorized shares	160,000,000
Number of issued shares	60,832,771
Number of shareholders	4,233 (year-on-year increase of 638)

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)	3,450	5.7
Shareholding Commission of NOHMI BOSAI Distributors	2,171	3.6
Shareholding Commission of NOHMI BOSAI Partners	1,676	2.8
MUFG Bank, Ltd.	1,000	1.7
NORTHERN TRUST CO. (AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	980	1.6
Custody Bank of Japan, Ltd. (Trust Account)	968	1.6
Shareholding Commission of NOHMI BOSAI Employees	921	1.5
Sumitomo Mitsui Banking Corporation	765	1.3
JP MORGAN CHASE BANK 385632	683	1.1

*The percentage of total shares in issue is calculated after deducting 398,601 treasury stocks.

Shareholder structure

	Number of shares held (thousands)
Japanese financial institutions	8,358
Japanese securities companies	269
Other Japanese corporations	34,067
Foreign institutions and individuals	7,463
Japanese individuals and others	10,275
Treasury stocks	398
Total	60,832

