

May 9, 2025

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Formulation of “Nohmi Bosai Group Medium- to Long-Term Vision 2028 Stage III”

The Nohmi Bosai Group (the “Group”) set forth its ideal state for FY2028/3 and measures to achieve it in its “Medium- to Long-Term Vision 2028 — Shaping the Customers’ Expectations,” and has implemented various measures during the three-year period ending FY2025/3 as “Stage II.”

Based on these results, the Group has formulated measures for the four-year period from FY2026/3 to FY2029/3, which we have designated as “Stage III” and the final phase of our efforts to achieve our ideal state.

“Medium- to Long-Term Vision 2028” sets forth the medium- to long-term vision statement to “shape safety to meet customers’ expectations and realize a society where anyone can live happily.” To achieve this, we will implement the following three priority measures in “Stage III.”

<Priority measures>

- 1) Expand earnings and improve profit margins in existing businesses
 - Continue to strengthen recruitment, development, and placement of human resources
 - Accelerate initiatives to achieve digital transformation (DX)
- 2) Business expansion
 - Active engagement in mergers and acquisitions in domains related to disaster prevention and peripheral industries
- 3) New business creation and upscaling
 - Focus on Future co-creation projects and other activities

In addition, based on the results achieved up to Stage II, we have decided to raise our operating margin and ROE targets for FY2029/3 as follows. Furthermore, in Stage III, we will set forth our capital allocation policy as a part of our financial strategy and strive to implement further growth investments and enhance shareholder returns.

	Actual results for FY2025/3	Initial target for FY2029/3	Revised target for FY 2029/3
Net sales	133.6 billion yen	170 billion yen or more	170 billion yen or more
Operating margin	11.7%	10.0% or higher	<u>12.0% or higher</u>
ROE	8.8%	9.0% or higher	<u>10.0% or higher</u>
Dividend payout ratio	40.5%	50.0%	50.0%

For details of “Nohmi Bosai Group Medium- to Long-Term Vision 2028 Stage III,” please refer to the attached document.

(Note) The results forecast and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors.



Nohmi Bosai Group Medium- to Long-Term Vision 2028 Stage III (FY2026/3 to FY2029/3)

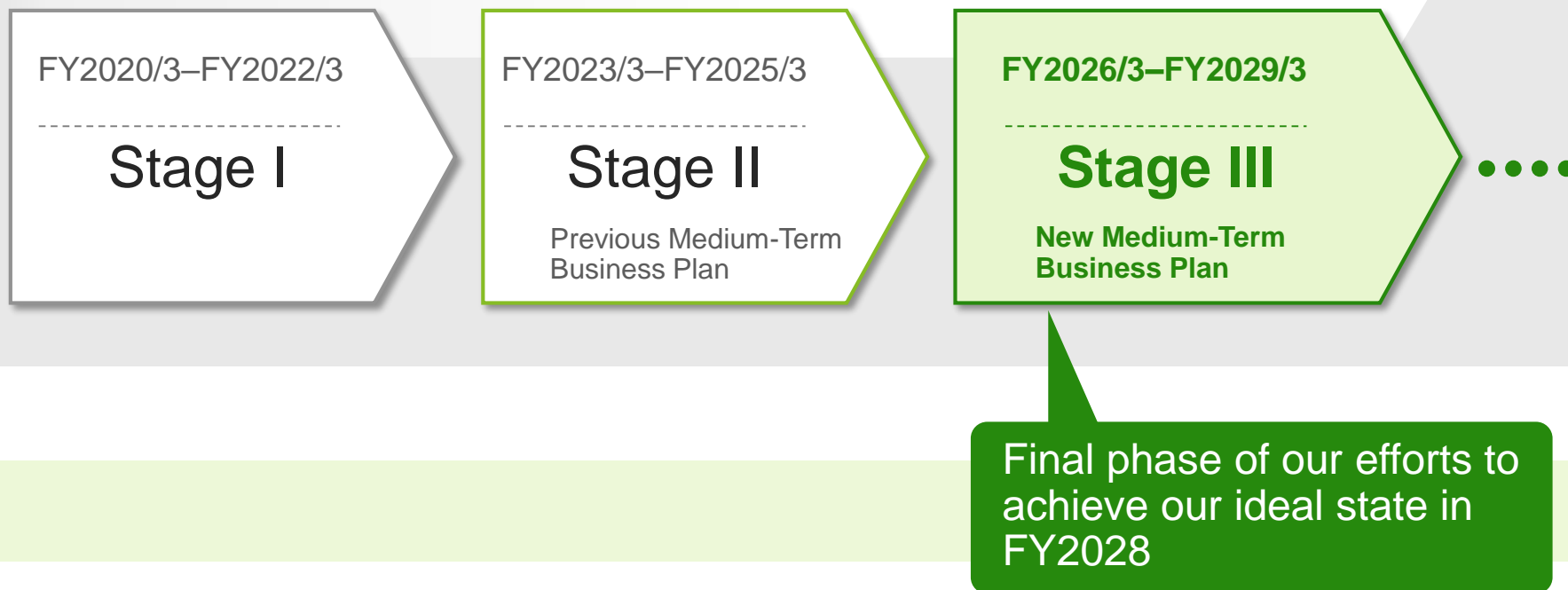
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NOHMI BOSAI LTD.

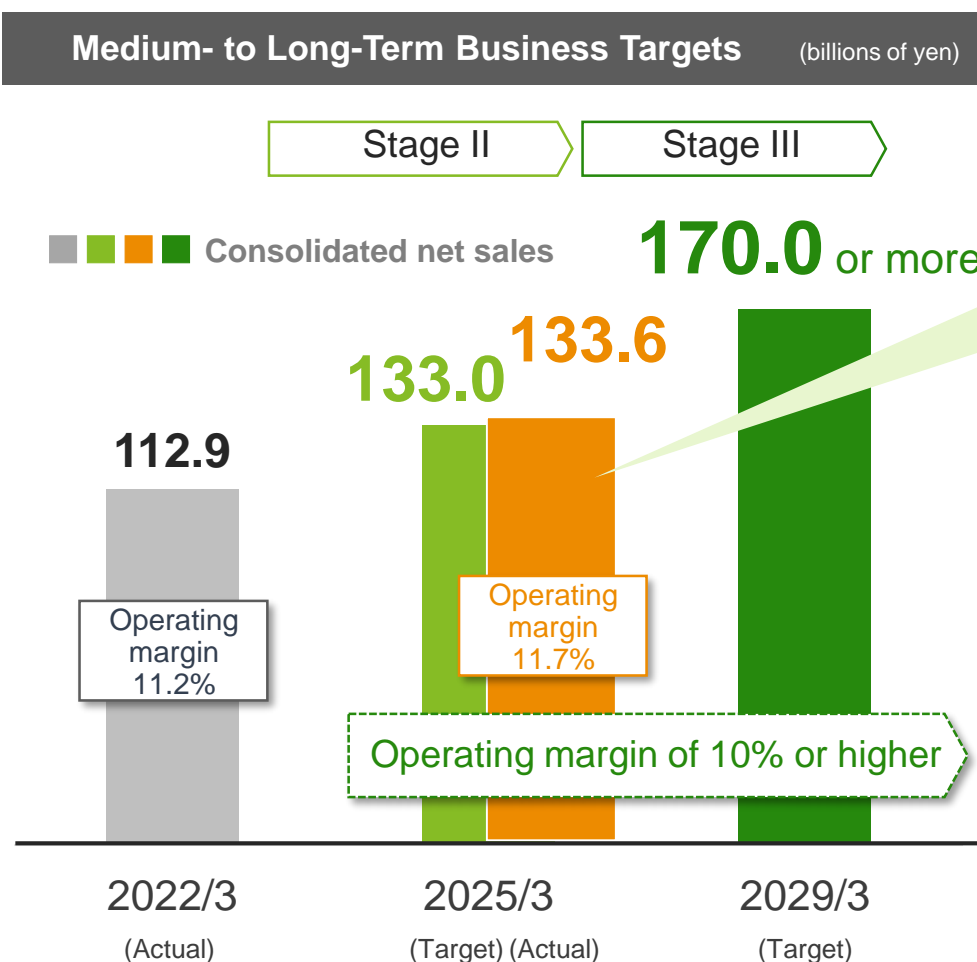




Medium- to Long-Term Vision 2028



Achieved both net sales and operating margin targets



Analysis of operating results

- By accurately capturing the rise in construction demand, orders increased in both number and value (semiconductor-related properties and data centers driven by DX needs, plants, large-scale multiple use buildings, etc.)
- Some opportunities were lost due to constraints on the number of construction and maintenance personnel

Investment for future growth

- Conducted three merger and acquisition transactions targeting peripheral industries
⇒ However, resource shortages in PMI* have become apparent
- Expansion of supply chain-related investments (response to component shortages)
- Issues remained regarding the promotion framework for DX and investment in new businesses

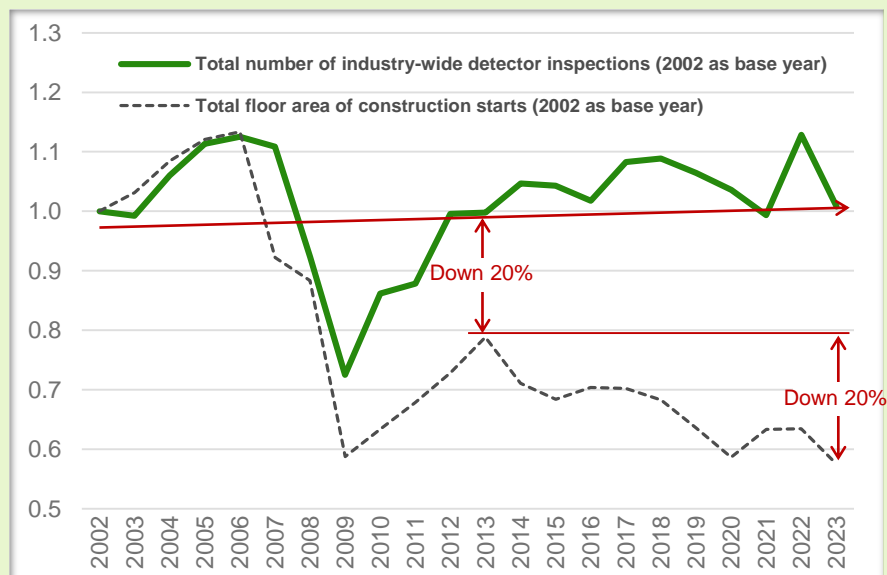
Enhancing corporate and social value

- Steady promotion of sustainability management (Identification of material issues, development of a sustainability promotion structure, formulation of a diversity, equity, and inclusion (DE&I) strategy, and setting and promoting carbon-neutral targets)

* PMI (Post Merger Integration): Integration process to maximize the effects of mergers and acquisitions

Robust construction demand, including renewal work expected to continue at least through 2028

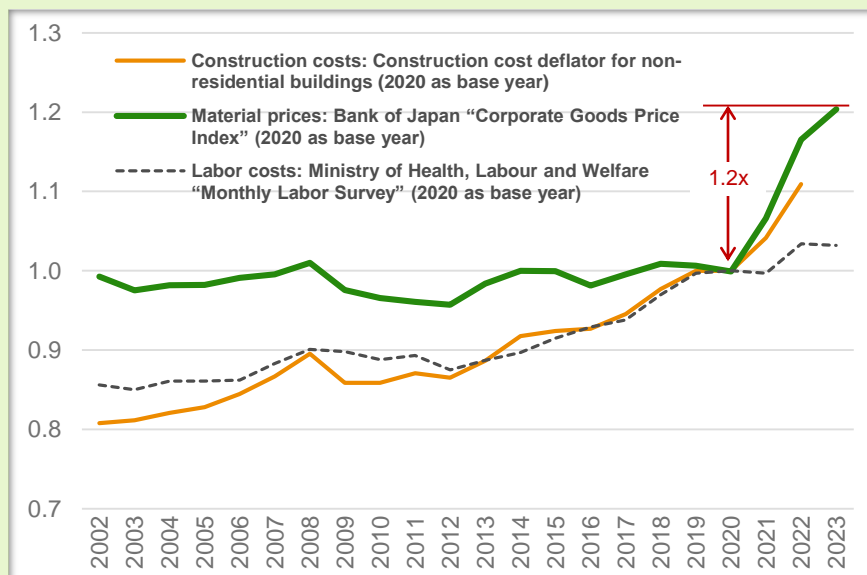
Total number of industry-wide detector inspections,
total floor area of construction starts



(Source) Compiled by the Company based on data from the Japan Fire Equipment Inspection Institute and the Ministry of Land, Infrastructure, Transport and Tourism

Although the floor area of new construction starts is on a downward trend, the number of detector inspections conducted across the industry as a whole is showing a slight increase, leading us to anticipate the renewal market will remain active

Construction costs, material prices, labor costs



(Source) Compiled by the Company based on data from the Ministry of Land, Infrastructure, Transport and Tourism, the Bank of Japan, and the Ministry of Health, Labour and Welfare

The recent increase in construction costs is mainly due to higher material costs, and this trend of rising material costs and labor unit prices is expected to continue for several years



Social Issues to Be Addressed by Nohmi Bosai





Medium- to Long-Term Vision Statement <Announced in May 2022>



<Medium- to Long-Term Vision Statement>

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

Nohmi Bosai's ideal state

➡➡ 1

Offer original disaster prevention systems mainly to existing business domains.

➡➡ 2

Offer optimal disaster prevention solutions based on customers' issues.

➡➡ 3

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

➡➡ 4

Establish a system of installation and maintenance that responds to an aging workforce and labor shortages.

➡➡ 5

Expand business coverage to all kinds of disasters as a comprehensive disaster prevention enterprise.

Realizing the Medium- to Long-Term Vision Statement

For shaping safety to meet customers' expectations

Enrich knowledge of personnel and organizations

Growth investment

Personnel strategy for dynamic growth



Accelerate the growth cycle of individuals and the company to achieve dynamic growth.

Co-create with customers

Future co-creation project



Change the styles of proposals to customers to increase the value offered to them.

Investment plan for the future



Plan to invest in research and development, mergers and acquisitions, equipment, personnel and the environment for the future.

Digital Transformation (DX)

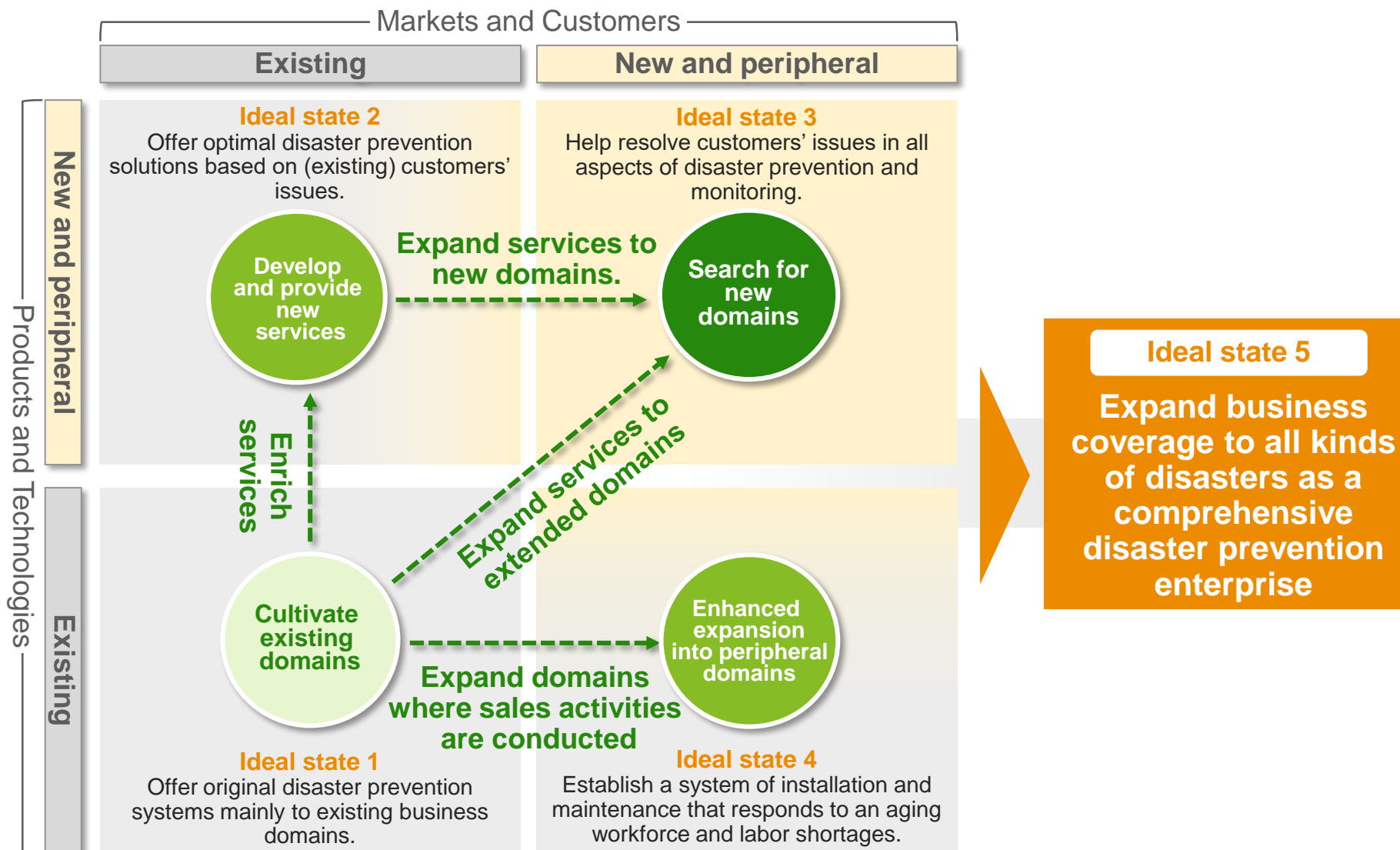
Create a supply chain for a stronger system of stably supplying products and services.

Respond to issues by increasing corporate value through sustainability management.

Change into a company creating higher additional value.



Relationship Between Basic Business Strategy Orientation and Ideal State





Medium- to Long-Term Vision 2028 Stage III



Stage III Performance Targets for FY2029/3

While maintaining the net sales target, the operating margin and ROE will be raised from the initial targets based on the actual results for FY2025/3

	Actual results for FY2025/3	Initial target for FY2029/3		Revised target for FY 2029/3
Net sales	133.6 billion yen	170 billion yen or more	No change →	170 billion yen or more
Operating margin	11.7%	10.0% or higher	+2.0pt →	12.0% or higher
ROE	8.8%	9.0% or higher	+1.0pt →	10.0% or higher
Dividend payout ratio	40.5%	50.0%	No change →	50.0%



Stage III Orientation of Strategy

Priority measures 1

- Continue to strengthen recruitment, development, and placement of human resources
- Accelerate initiatives to achieve DX



Expand earnings and improve profit margins in existing businesses

Priority measures 2

- Active engagement in mergers and acquisitions in domains related to disaster prevention and peripheral industries



Business expansion

Priority measures 3

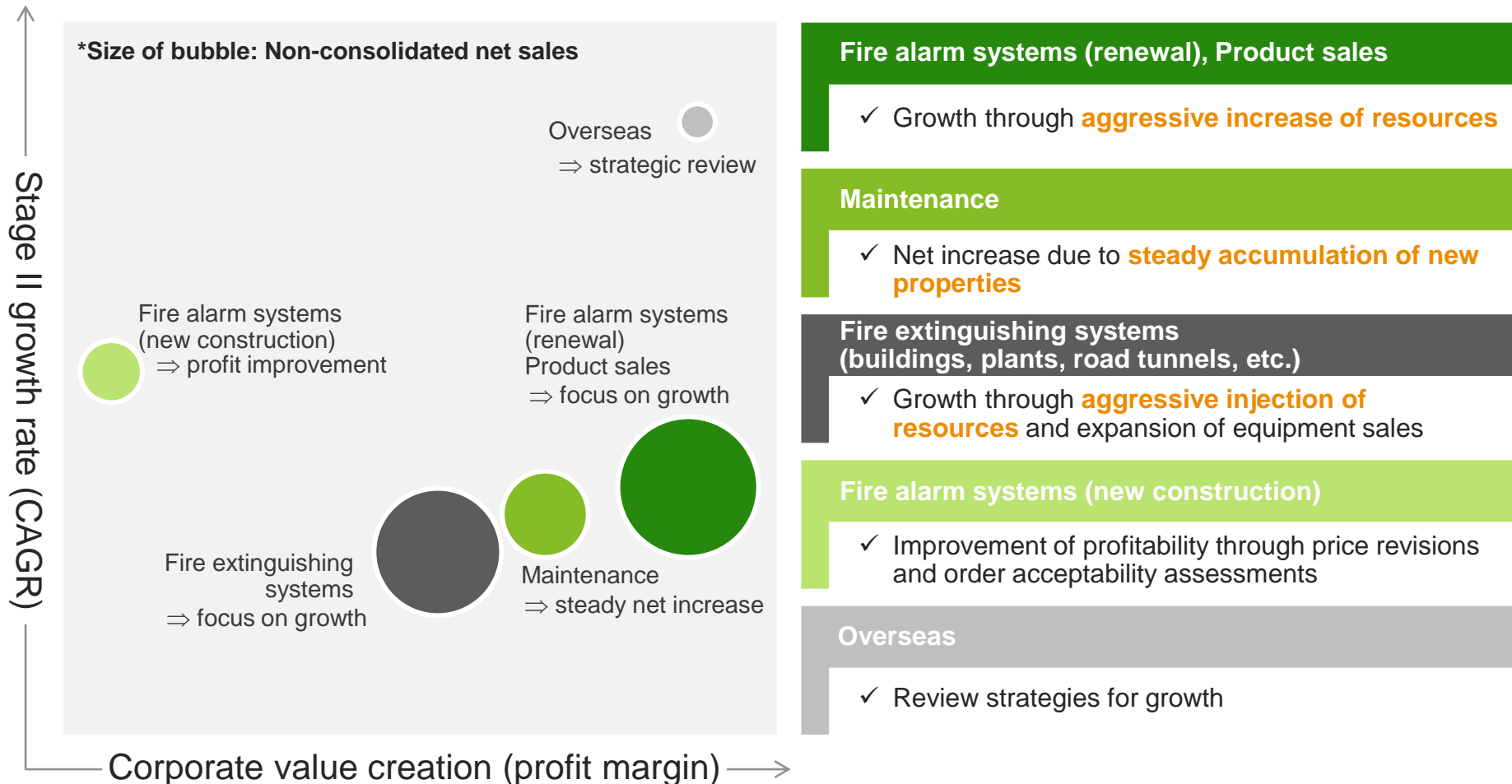
- Focus on future co-creation projects and other activities



New business creation and upscaling

[Priority Measures 1] Future Orientation Through Review of the Current Business Portfolio and Human Resources Allocation

Aggressively enhance resources in existing businesses and actively invest in businesses with high margins





[Priority Measures 1] Human Capital Management for Dynamic Growth

For shaping safety to meet customers' expectations

Personnel strategy for dynamic growth “Autonomy and initiative,” “Active engagement of all employees,” and “Provide a platform for performance and growth”

 Work-style	Strategic orientation Further promotion of work-life balance	Performance indicator <ul style="list-style-type: none">□ Paid leave utilization rate: 75% or higher□ Male parental leave uptake rate: 60% or higher	 Transfer and placement	Strategic orientation Achieve strategic transfers and placement that value personal career aspirations ▲ Set up a human resource portfolio	Performance indicator <ul style="list-style-type: none">□ Growth opportunity score: 3.8 or higher *2
 Recruitment	Strategic orientation Focus on acquiring <u>human resources necessary to achieve business strategies</u> (Installation and maintenance personnel, etc.)	Performance indicator <ul style="list-style-type: none">□ NOHMI BOSAI: +400 people□ Group companies: +100 people□ Sales per employee: 5% increase *1	 Development	Strategic orientation Establish a human resource development system for early deployment	Performance indicator <ul style="list-style-type: none">□ Skills (specialized) education Number of curricula: 50% increase
 Personnel system	Strategic orientation Build a motivating and comfortable work environment	Performance indicator <ul style="list-style-type: none">□ Implement measures by FY2026□ Work style score: 4.0 or higher *2□ Rating score: 3.5 or higher *2	 DE&I	Strategic orientation Create opportunities for competent individuals with diverse abilities and values to flourish and develop	Performance indicator <ul style="list-style-type: none">□ Female employees in senior positions: 30 or more□ Statutory employment rate for persons with disabilities that exceeds the legal requirement

*1: Compared with the average of FY2019 to FY2023 *2: Explanatory factor for engagement score



Significantly enhance resources to focus on enhancing customer value and reducing non-core operations

Change the styles of services

- Promote new introduction and development through the establishment of a dedicated system for cloud services (TASKis, N-HOPS (under development), etc.)



Change customer services

- Standardization following nationwide expansion of inspection process reforms
- Expand the results of installation process improvements
- Transform the flow from sales to order processing

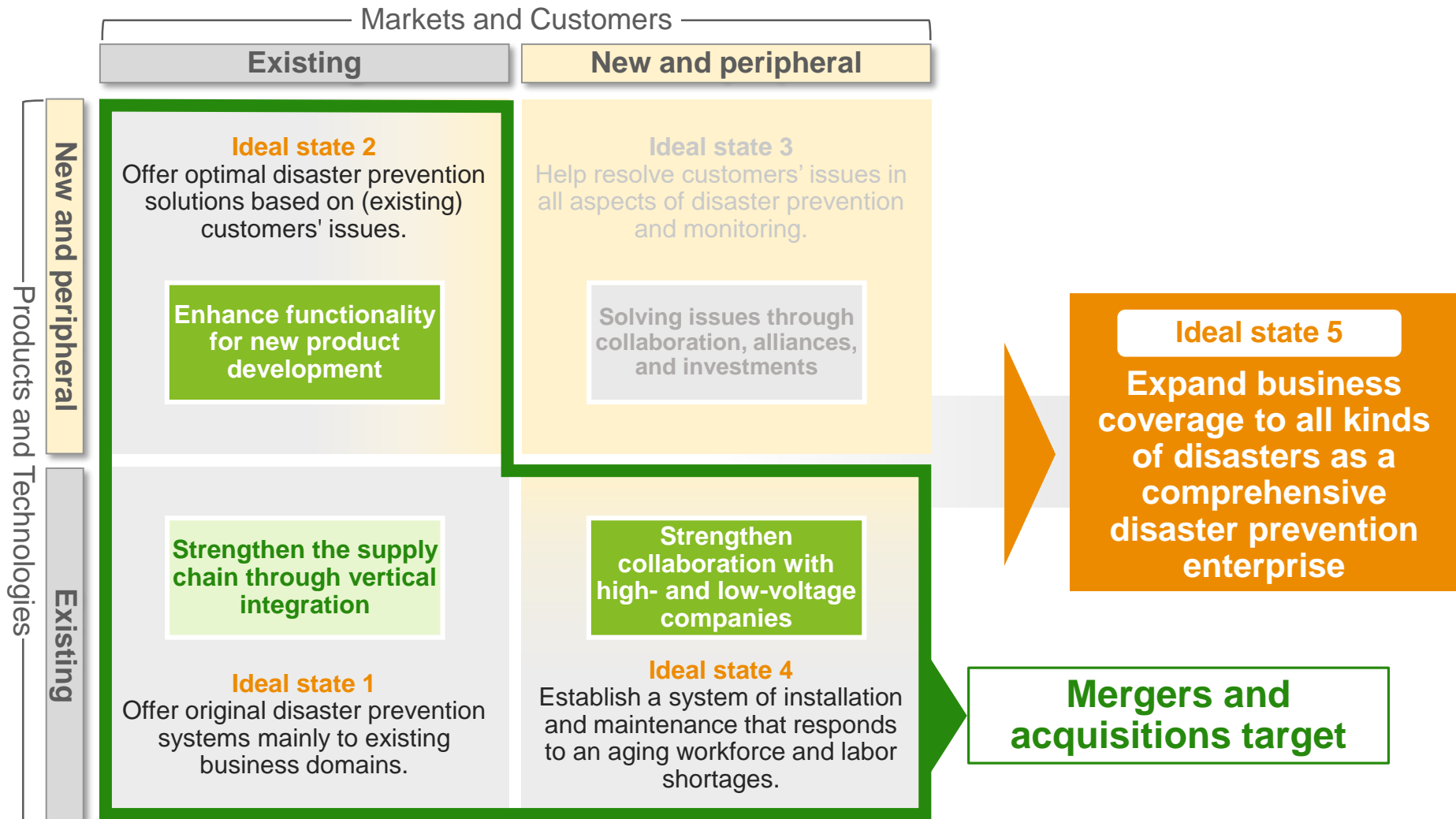
Internal digitization Reduction of non-core operations

- Aim for paperless operations across the company
- Formulate an integrated digital transformation strategy
- Maximize the benefits of RPA implementation
- Actively promote business improvement through generative AI



Enhance
customer
value

Reinforce the system to promote mergers and acquisitions and PMI operations **by enhancing resources**





[Priority Measures 2] Mergers and Acquisitions Implemented in Stage II

Aim to expand the market by strengthening collaboration with high-voltage and low-voltage companies in the disaster prevention peripheral domain.

Sakamoto Densetsu Co., Ltd.

Became our subsidiary in July 2022

- A company for construction of electric equipment with a long history in the business in the Sapporo area
- High construction quality and good financial standing

Established: February 1972
Net sales: 290 million yen (FY2022/3)

Nissho Setsubi Kogyo Co., Ltd. (current: Oita Nohmi Co., Ltd.)

Became our subsidiary in April 2022

- Company for installation, maintenance and inspection of fire protection facilities with a long history in the business
- The company has a strong presence and installation capabilities in Oita Prefecture

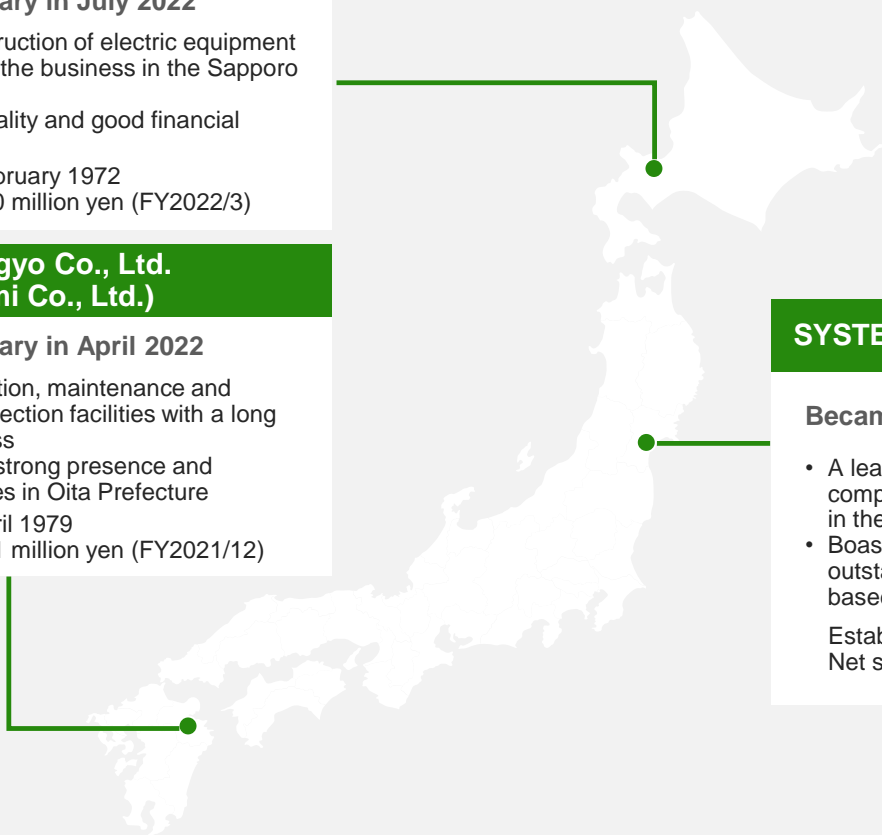
Established: April 1979
Net sales: 171 million yen (FY2021/12)

SYSTEMS Co., Ltd.

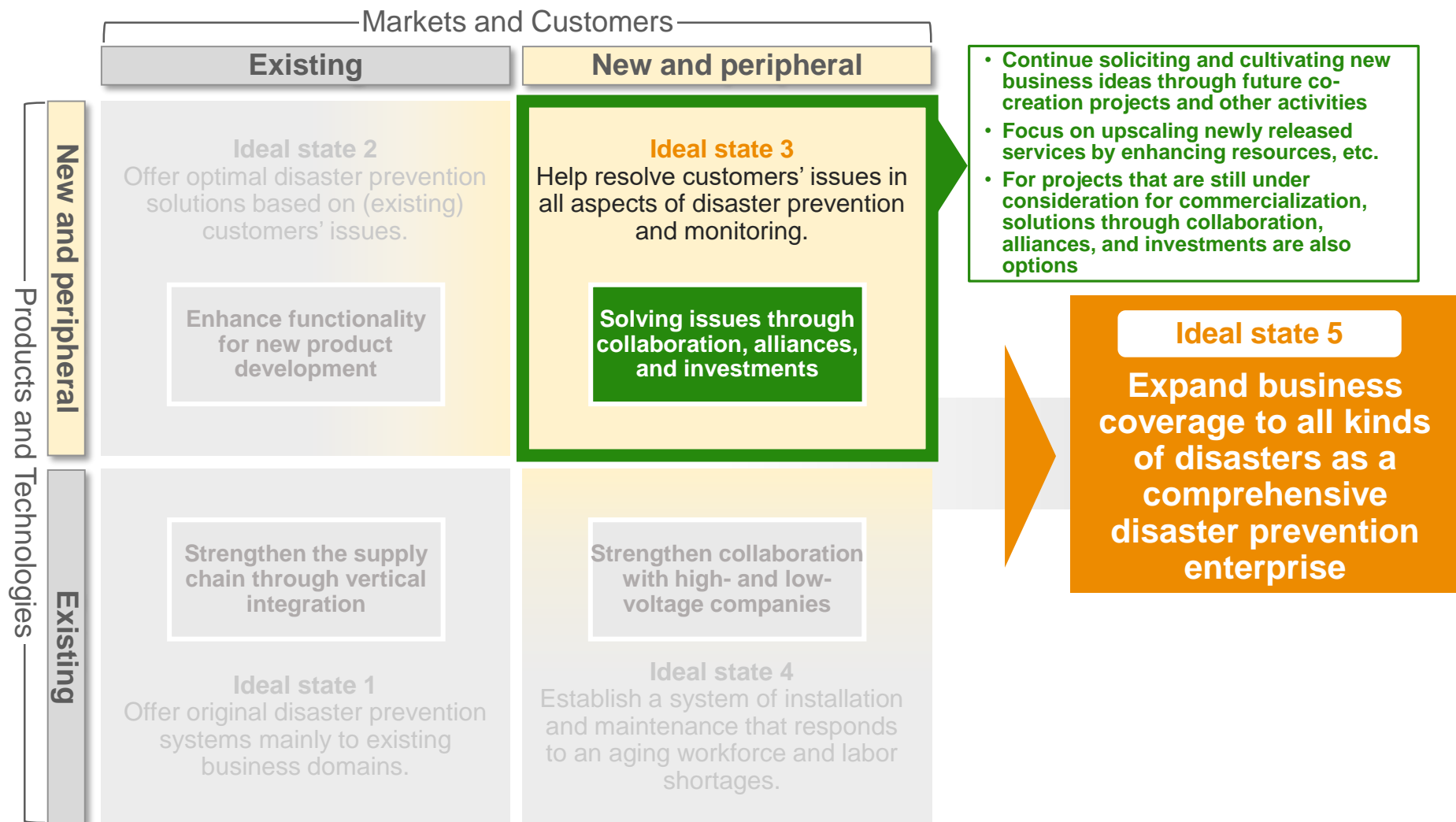
Became our subsidiary in October 2024

- A leading telecommunication engineering company with 50 years of history and track record in the Tohoku region
- Boasting a high level of brand power with outstanding specialist technologies and locally based reliability

Established: June 1974
Net sales: 2,696 million yen (FY2024/7)



Upscaling newly created services and expanding into new domains through collaboration and investment





[Priority Measures 3] New Services in Stage II

Focusing on scaling up services created through internal pitch contest and future co-creation projects



VR fire experience

“Earthquakes and tsunami” and “volcanic disasters” to be added

By experiencing realistic fires and large earthquakes in a virtual space, participants are increasingly motivated to participate in disaster prevention drills and education.



Stockle+

Orders expanding since release in May 2024

Match companies that want to donate emergency supplies that have reached their expiration date rather than discarding them with food banks that want to receive food donations.



N-HOPS

Currently undergoing demonstration experiments (under development) in multiple local governments

Even in situations where local government support is insufficient during disasters, residents can establish and operate their own evacuation centers.

A series of four horizontal bars of increasing length, colored from top to bottom: grey, yellow, orange, and green.

Shaping ^{the} Customers'
Expectations



transformation

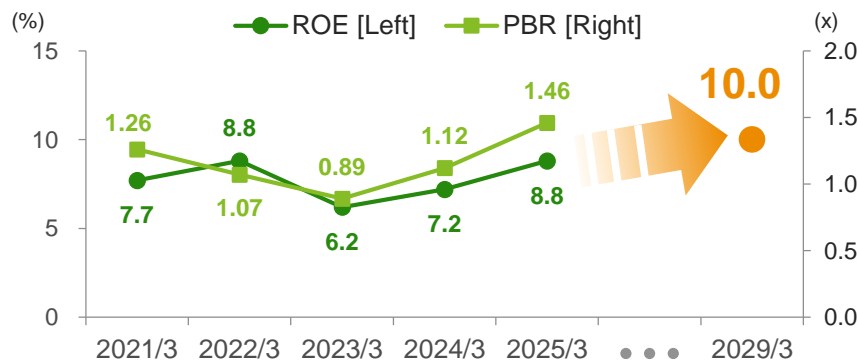
Financial Strategy

Actions to Implement Management That is Conscious of Cost of Capital and Stock Price — Raising ROE Targets

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

**Increase
ROE to 10.0% or higher
by fiscal 2028**

- Improving profitability
 - Strengthening shareholder returns
- Improvement of capital efficiency



Fulfill the Medium- to Long-Term Vision 2028

Specific Initiatives

1) Improving profitability

Priority measures

Investment for growth

- Build a foundation
⇒ Achieve cost reduction
- Human capital investment
⇒ Increase competitiveness
- Utilize mergers and acquisitions
⇒ Expand business domains

2) Strengthening shareholder returns

Set a new dividend payout ratio target
Acquire treasury shares

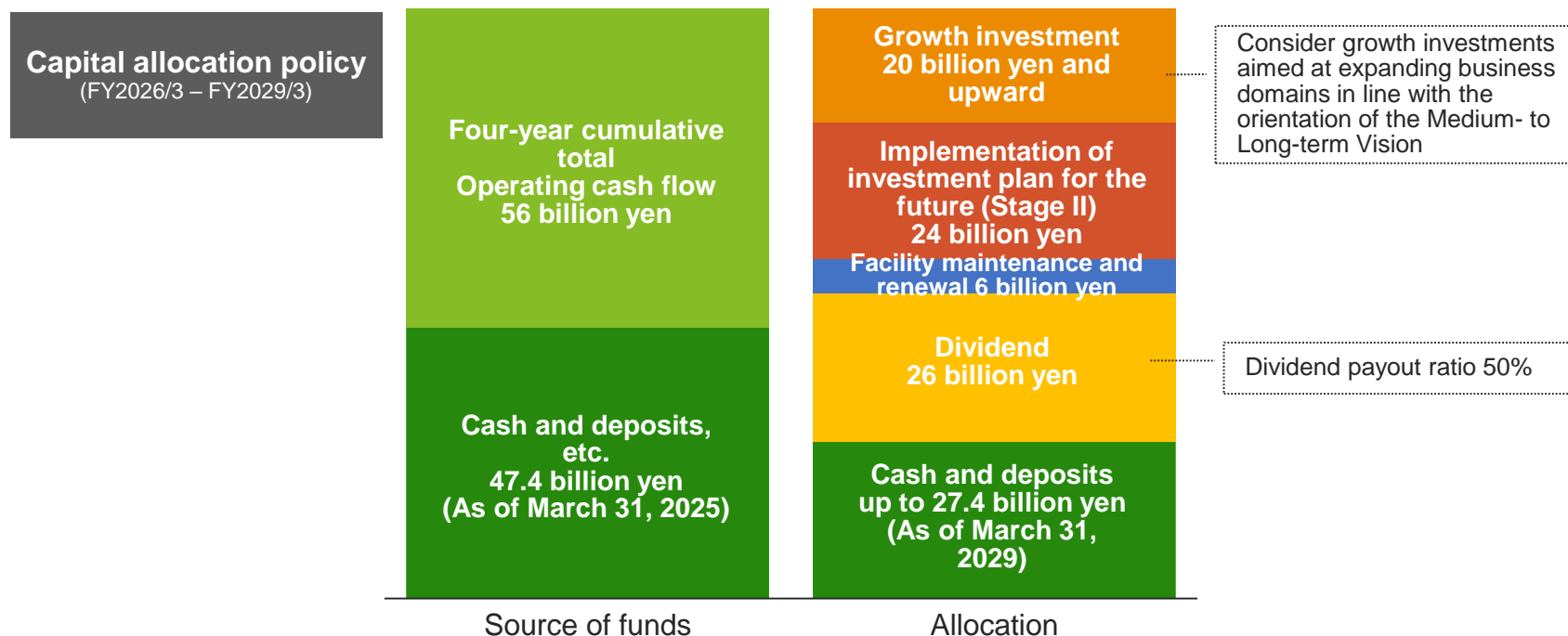
3) Enhancing IR activities

Continuous dialogue with shareholders and investors
Improvement in the quality and quantity of disclosed information, etc.

Reduction in cost of equity
⇒ rise in PBR

Capital Allocation Policy in Stage III

- Full utilization of enhanced human capital, etc. + securely capturing merger and acquisition opportunities by strengthening the system
- Investments to strengthen the foundation required for growth completed in the investment plan for the future in Stage II
Further implement growth investments while leveraging our strengthened foundations, and achieve a ROE of 10% in FY2029/3
- Borrowings may be utilized as necessary for additional growth investments
- Set a target dividend payout ratio of 50% (consider raising this ratio as appropriate in light of investment conditions and other factors)





Dividend and Shareholder Returns Policy

Achieved a consolidated dividend payout ratio of 40% in FY2025/3 in Stage II (40.5%)

Set a target of 50% for FY2026/3 and beyond

(For FY2027/3 and beyond, further expansion will be considered taking into account investment, etc.)

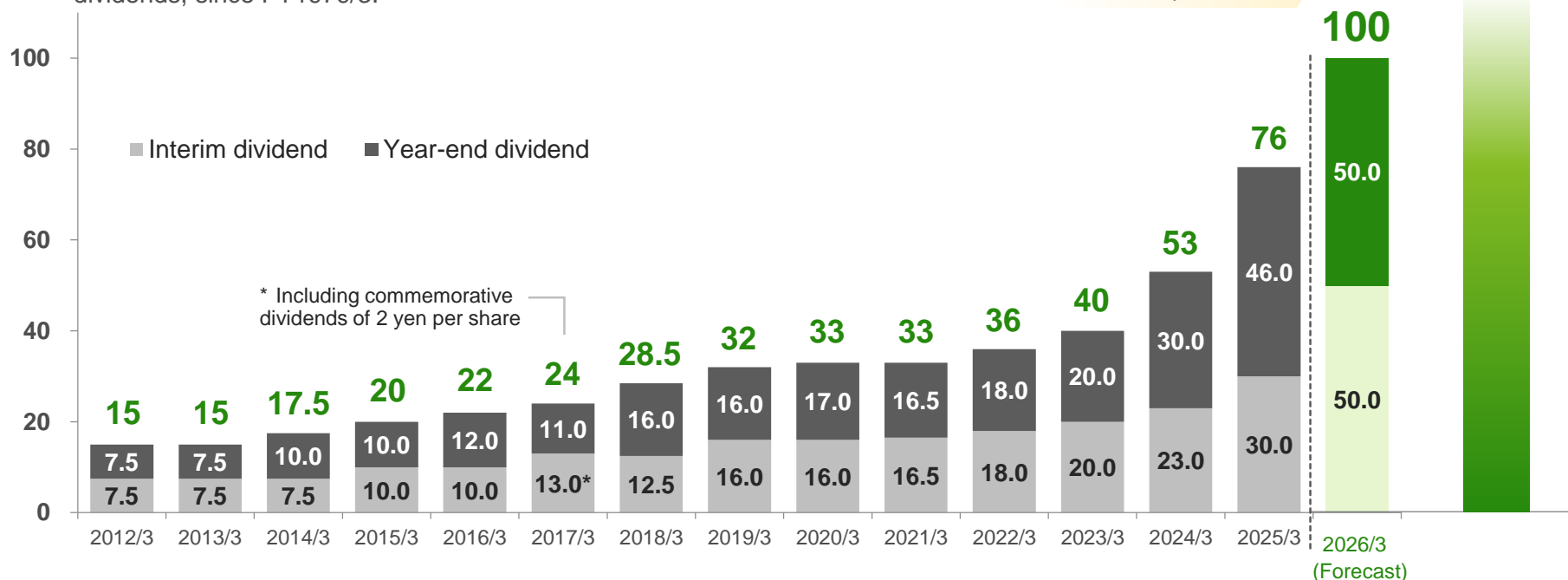
Stage II period
(FY2023/3 – FY2025/3)

Achieved a consolidated dividend payout ratio of **40%** by FY2025/3

Aim for **50%** from FY2026/3 onwards

Trend in dividend per share (Yen)

* We have not reduced dividends, excluding extraordinary dividends, since FY1979/3.



Dividend payout ratio	50.6%	31.4%	21.9%	21.4%	20.0%	20.8%	18.8%	24.7%	18.9%	26.1%	23.2%	34.4%	37.3%	40.5%	50.9%
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Shaping ^{the} Customers'
Expectations



transformation

Strengthening Sustainability



Relationship between Material Issues and Medium- to Long-Term Vision

Material issues

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

We will reinforce the structure for providing fire protection systems and services to help realize a society free from accidents involving fires, as we expand our business presence to all types of disaster categories and draw on digital technology to enhance product and service capabilities.

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

We will cultivate a corporate culture that fosters personal growth, promote diversity and inclusion, and create workplaces where employees feel their work is rewarding.

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

We will work toward carbon-neutral status while contributing to a better environment through products, services and proactive responses to restrictions on chemical substances.

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

We will realize a robust supply chain, adopt corporate management practices conscious of human rights and strengthen our resilience to disasters through business continuity planning.

Orientation of activities in Stage III of Medium- to Long-Term Vision

In addition to continuing activities for the future co-creation projects to solve social issues in the entire disaster domains, we will strengthen and promote our marketing functions to realize a society free from accidents involving fires.

Create a work environment in which everyone feels motivated and comfortable, and secure human resources necessary to achieve our business strategy and improve productivity per employee. Specifically, we will create opportunities for competent individuals with diverse abilities and values to flourish and develop, and we will strive to increase the number of female employees in senior positions to 30 or more and achieve a statutory employment rate for persons with disabilities that exceeds the legal requirement.

Set a medium-term reduction target of reducing greenhouse gas emissions by 45% compared with FY2018 levels by FY2030, and promote this target by establishing KPIs that break down the target into specific items. Specifically, we will reduce the consumption of electricity, gas, fuel (gasoline, heavy oil, light oil, kerosene), paper, etc., and continue to promote measures to reduce risks posed by climate change to our business and create opportunities, such as sponsoring organizations that carry out afforestation activities to increase forest areas.

- 1) Strict compliance
- 2) Strengthen part procurement, stabilize production systems, and ensure delivery deadlines are met. Streamline operations through DX and secure and develop human resources. Collaborate with suppliers to enhance technical capabilities as well as production efficiency and strengthen supply chain.
- 3) Promote consideration of human rights due diligence.
- 4) We will consider further measures to strengthen resilience in anticipation of the Nankai Trough earthquake at all business facilities nationwide.

Related SDGs





Statements in this presentation about future results of operations are based on information that is currently available to NOHMI BOSAI and its group companies. These forecasts incorporate risk factors and uncertainties.

Actual results of operations may differ significantly from the forecasts in this presentation because of changes in the economic environment for business activities, a shift in demand or other reasons.